



City of Lake Forest

Five Year Strategic Plan

2009 - 2014

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CHAPTER 1 OVERVIEW OF THE FIVE-YEAR STRATEGIC BUSINESS PLAN

The Five-Year Strategic Business Plan (“Plan”), first initiated by the City Council in 1999, serves as a touchstone for elected officials and staff to guide short-term and long-term projects and programs along with associated activities and resources. Updated every two years, the Plan serves as a tool to allow the City to assess its current status, identify future goals, and develop strategies towards achieving those goals.

Of utmost importance in developing the Plan is responding to the needs of the community. Chapter 2 defines the strategic issues – the most important issues facing Lake Forest over the next five years. Strategic issues are identified by understanding and listening to the community and its evolving wants and needs through collection and analysis of demographic data along with survey responses to identify current and future trends. Chapter 3 provides an overview of population characteristics, housing characteristics, and economic characteristics. Population characteristics include ethnicity and race, age, and educational attainment; housing characteristics include households by tenure and housing units by type; and economic characteristics include occupational profile, assessed property values, construction permits, and sales taxes.

Chapter 4 summarizes key findings from the City’s bi-annual resident and business surveys, most recently conducted in 2008. Nearly every resident surveyed (93%) rated the quality of life in the City as excellent or good, and most businesses (71%) rated the business climate favorably when compared to neighboring areas. As a whole, the responses collected from the Surveys are indicative of a highly satisfied community.

After identifying the top priorities for the community, it is important to understand the resources that are available to commit to meeting those priorities. Available resources are determined by comparing existing revenues with existing expenditures. Chapter 5 presents an overview of past, current, and projected future revenues. The current decline in the housing market and its effect on the economy has resulted in a decrease in overall revenues.

Currently, the City's two most significant categories of revenue are local taxes and revenues from other governments. Once the current economic downturn has ended, the City expects its well diversified revenue base to increase.

Chapter 6 provides projections for future operating expenditures. Projections were kept conservative understanding that the last five years were a period of growth of services to a desired level in the previously healthy economy. The Plan assumes maintaining current levels of service with moderate increases over the next five years, unless modified by the integration of new programs and/or projects.

Once the available resources are identified, operating programs and capital improvement projects can be planned. Chapter 7 provides detailed information on the ten new proposed operating programs by department. Chapter 8 describes each of the twenty one capital improvement projects (CIP) proposed for implementation during the period of this Plan along with their sources of funding. While Chapter 7 and 8 detail new programs and projects, Chapter 9 identifies carryover appropriations greater than \$100,000 from Fiscal Year 2007-08 along with anticipated carryover capital projects budgeted in Fiscal Year 2008-09. Carryover appropriations bring unspent balances forward into the new fiscal year, retaining the integrity of the originally budgeted amounts for items spanning more than one year.

With the transition of the Opportunities Study from the "study" phase to the "implementation" phase, the plan now includes a chapter devoted to the Opportunity Study Area Business Plan. Chapter 10 outlines the current status surrounding the OSA Public Facilities Business Plan along with the OSA and City proposed public facilities packages.

Based on the current economic climate, a new chapter – Chapter 11 – has been added to the Plan to identify those programs and projects that have been deferred until funds become available. The City recognizes the need to remain

flexible when reviewing existing and future needs and has prioritized programs and projects to provide the best service possible to the community within existing budgetary constraints.

In conclusion, this Plan represents the City's efforts to continue providing quality services to the community while remaining fiscally responsible. As always, the City encourages and welcomes community feedback and participation in continuing to maintain a high quality of life in Lake Forest.

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CHAPTER 2

VISION STATEMENT

Lake Forest will continue to be a safe, attractive and healthy community in which to live, worship, work and play. Our diverse community will foster the active involvement of its citizenry and businesses, and reflect a distinctive, suburban identity that relies upon an established image of lakes, creeks, forests and open space.

MISSION STATEMENT

The City of Lake Forest is committed to ensure an optimal quality of life for its community by providing innovative, effective and efficient services.

VALUES

The City of Lake Forest values...

1. A community where people feel safe and can realize a higher quality of life.
2. Diversity, strength, and stability in the Lake Forest economy.
3. A circulation system which meets local and regional needs.
4. Dialogue with the community on current issues and those issues that challenge the future.
5. Recreational and cultural opportunities and facilities for the community.
6. Continual improvement of services and operations while maintaining a fiscally conservative approach to managing resources.
7. Integrity and high ethical standards in what we do and how we do it.
8. Unique characteristics, aesthetics and histories of the neighborhoods and communities of Lake Forest.
9. Leadership on issues that affect Lake Forest.
10. Using creativity, innovation and evolving technology.

STRATEGIC ISSUES

The most important issues facing Lake Forest over the next five years (July 2009 – June 2014) are identified in this plan as “Strategic Issues.” Strategic Issues are identified by public input, as captured in biennial surveys and other inputs. These issues are critical to the City’s ability to reach its vision for the community, and serve as guides in developing projects in this 5-Year Plan, as well as City-wide and departmental goals for the City’s annual budgets. When considering Capital Improvement Projects in the 5-Year Plan, the City is cognizant of each project’s future impact to ongoing operational costs.

TRAFFIC

Traffic continues to be a top concern of Lake Forest residents and businesses. Each year, the City invests in Capital Improvement Projects that are designed and constructed to enable the public to travel safely and efficiently along the city’s roadways. Adding roadway capacity, optimizing traffic management, identifying transit options and obtaining grant funding for projects will be a major focus during the next five-year period. Sources of grants include the Orange County Transportation Authority (OCTA) and Federal Stimulus Funding.

Prior to the current planning period, the City Council adopted the Lake Forest Transportation Mitigation Program (LFTM), a set of citywide transportation improvements designed to maintain adequate levels of service on the city’s major streets. The LFTM Program will allocate the costs of these improvements through fees paid by the participating Opportunities Study landowners.

As part of the analysis conducted with the Opportunities Study, a Lake Forest Traffic Model was created to model traffic scenarios and analyze existing intersections. Based upon approved future development, the traffic model has identified eighteen intersections throughout the city for improvement during the next five years, to be funded by the LFTM program.

Over the next five years, the public will be able to travel along Alton Parkway from the I-5 Freeway to Foothill Ranch thanks to the Alton Parkway gap closure. The first phase of the gap closure

Adding roadway capacity, optimizing traffic management, identifying transit options and obtaining grant funding for projects will be a major focus over the next five years.

project, between Irvine Boulevard and Commercentre Drive, is slated to be completed in 2010. The City will continue to work with Shea/Baker Ranch to construct the second phase of the project, from Commercentre Drive to Towne Centre Drive. The Rancho Parkway and Commercentre gap closure projects will also occur during this time period.

Lake Forest staff will continue to collaborate with the City of Irvine, County of Orange, Orange County Transportation Authority (OCTA) and other stakeholders to establish closing the Portola Parkway gap as a regional priority and to have shelf-ready construction plans as soon as practical. The 1.1 mile gap lies within an unincorporated area of the County of Orange and within the sphere of influence of the City of Irvine.

Traffic congestion relief and streetscape projects will be made shelf-ready to enhance opportunities for outside funding as well as early project implementation. Staff will pursue programs, such as the OCTA “Go Local” program, that may provide benefit to Lake Forest residents and businesses. The City will also monitor planning efforts for the extension of Route 241 to the I-5 connection and possible linkage between Riverside and Orange Counties.

PUBLIC SAFETY:

- Maintaining a Safe Community

Preserving a safe and peaceful community is a top priority for the City and paramount to the quality of life that Lake Forest residents, visitors and businesses have come to expect. Consistently recognized as one of the safest communities in the nation, Police Services will continue its efforts to reduce crime and improve neighborhood relations. The installation of traffic signal pre-emption equipment along all major arterials within the City should improve response times for police and fire vehicles and help to mitigate emergency response challenges associated with potential growth and development within the City and surrounding areas. In addition, Police Services has implemented the Traffic Enforcement and Education Program for traffic enforcement deployment, in conjunction with mobile traffic devices to positively change drivers’ behavior. Police Services is also implementing crime

Preserving a safe and peaceful community is a top priority for the City and paramount to the quality of life that Lake Forest residents, visitors and businesses have come to expect.

analytical software as a predictive policing model. The goal of the crime analysis software is to increase operational efficiencies, improve staffing deployment, and identify crime trends.



- Emergency Preparedness and Homeland Security

Emergency preparedness and homeland security remain issues of concern to the community. The City will continue to pursue funding opportunities to mitigate or prevent disasters where possible and actively train staff and prepare the public to respond effectively to the actual occurrence of a disaster. The City will also communicate with the public during and after a disaster through AlertOC, an internet-based notification system. In addition, the Sheriff's Department and Orange County Fire Authority are completing numerous emergency preparedness plans for public dissemination and practical application exercises. Within the next five years, fire plans for the "Woods" neighborhood, Portola Hills, Foothill Ranch and the Opportunities Study areas will be in place.

- Musick Jail Expansion

For over a decade, City officials have worked diligently to minimize the community impacts of a potential Musick Jail expansion. As the County moves forward with the Master Planning process for the future expansion of the Musick Jail Facility, City staff will continue to work collaboratively with the Orange County Sheriff's Department to ensure the previously negotiated agreements that restrict the size, design and operational parameters of the expanded facility are observed. Additionally,

Along with new facilities, the City will develop and implement comprehensive programs for all ages and abilities with an emphasis on providing youth as well as adult sports programs and activities.

staff will monitor the State's prison overcrowding crisis and resultant pressure on the County jail system to absorb State inmates.

- Neighborhood Crime and Social Issues

The Neighborhood Enhancement Team (NET) is a strategy to address crime problems and various social issues that occur in the city. Utilizing a collaborative approach with various city departments and community stakeholders, the goal is to identify issues that concern residents and businesses, develop a strategy to address the concern, implement the plan, and assess it for results.

NET allows each department that has a vested interest in the issue to be involved in the outcome, thus creating a synergy and eliminating wasted staff time by dealing with issues independently. The goal for NET is to generate the same success as TAGRS (Tracking Automated Graffiti Reporting System), which reduced incidences of graffiti in the community.

COMMUNITY SERVICES AND PUBLIC FACILITIES:

- Increasing Public Facilities and Recreational Opportunities

The next five years will see the construction of a new sports park, a recreation center, and a Civic Center complex. As provided by the Opportunities Study Advanced City Facilities Fee, staff will begin the design and development of new public facilities, starting with coordinating public input and development of the Master Plan for the proposed Sports Park and Recreation Center. These efforts will assist in increasing the parkland acreage to meet park acreage per capita goals. The next five years will also include the development of plans and specifications for construction of other new recreation facilities.

Also slated for the Plan's five-year period is the completion of the construction of the Heroes Park restroom/snack bar. Along with new facilities, the City will develop and implement comprehensive programs for all ages and abilities with an emphasis on providing youth as well as adult sports programs and activities.

- Preserve and Enhance Existing Public Facilities and

Recreational Opportunities



The City will continue to implement recommendations from the FY 2007-2012 Community Services 5-Year Strategic Plan including various park improvement projects and renovation of Tamarisk Park. The Etnies Skatepark of Lake Forest expansion will be completed during this five-year period along with improvements to increase the utility of existing sports fields. Staff will also develop comprehensive programs for participants of all ages and abilities with an emphasis on providing adult sports programs while increasing communication efforts to brand the Community Services Department and raise public awareness of City sponsored programs and facilities. Community Services will also increase cost recovery and community participation, as well as foster partnerships with local businesses and organizations.

RESOURCES AVAILABLE TO MEET CITY GOALS AND OBJECTIVES:

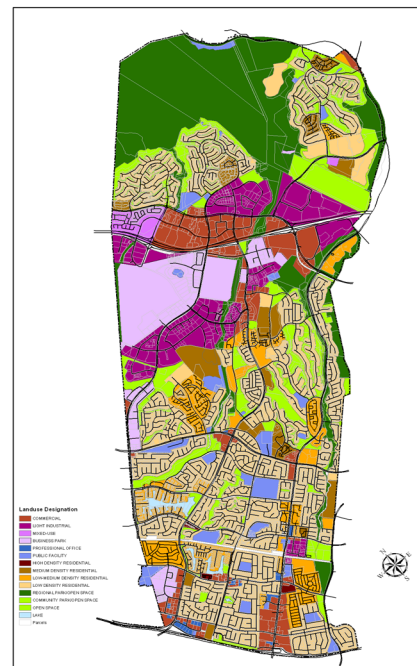
The City provides services to its constituents based upon its available financial, technological and human resources. According to the National Bureau of Economic Research, the national economy entered a recession in December 2007 with a broad contraction of the economy. California is experiencing unheard of financial times, where conditions can change dramatically very quickly. The economic downturn has been especially hard hitting for the State of California, which continues to face major budget shortfalls.

Over the five-year planning period, technology will continue to be used in a cost-effective manner to improve both services to the public and city operations.

Despite the passage of Proposition 1A in 2004, which was intended to protect revenues collected by local governments (cities, counties, and special districts) from being transferred to the California state government for statewide use, the City must remain vigilant regarding proposals that impose unnecessary or unfunded mandates, preempt local authority, limit local flexibility, or raid local/city finances. The City must also be aware of the reduction in tax revenues as a result of economic conditions. Reduced sales tax revenues are projected for at least the next two to three years. Property taxes are also expected to decline, lessening the funds available for capital improvement projects and ongoing operations.

Reduced revenues must be taken into account in selecting and prioritizing upcoming projects and programs. Ongoing costs related to new programs and projects, such as maintenance costs, must also be projected and evaluated. Staff will monitor and pursue Federal Stimulus Funding and other potential sources of funding for city projects and programs as appropriate.

Information Technology (IT) is another resource used to provide the public with timely, convenient services and information while maximizing internal efficiencies. The City's Geographic Information System is at the core of the City's e-government initiatives and leverages the information available for decisions. Over the five-year planning period, technology will continue to be used in a cost-effective manner to improve both services to the public and city operations.



Over the five-year Plan period, the City's human resources may be impacted by retirements, as 40% of employees are currently eligible for retirement in 2009, with 53% of employees eligible for retirement within the next five years. In the next five years, succession planning and retaining key employees while attracting high quality applicants will become especially important.

REDEVELOPMENT AND ECONOMIC DEVELOPMENT:

- Revitalizing the Redevelopment Project Area and Facilitating Investments Into the Area



Efforts will be made to work cooperatively with property owners and businesses consistent with the Agency's Implementation Plan and the El Toro Revitalization and Revisioning Strategy. The Agency will also strategically evaluate mid- and long-term development and revitalization opportunities within the commercial portion of the Redevelopment Project Area (i.e., Arbor on El Toro). Implementation of the Revitalization Action Plan for the Light Industrial Area will continue, with potential updates to the Plan as may be necessary to achieve meaningful results. Consistent with the Housing Element and Agency's Implementation Plan, the City and Redevelopment Agency will pursue programs and projects that provide quality affordable housing and improve and preserve the City's existing housing stock.

- Maintaining and Strengthening the City's Economic Base and Business Climate

The City will use its Business Development Program as a vehicle to enhance and diversify its economic base and employment opportunities by offering and supporting activities that retain, expand, and attract new businesses. The City will also work to strengthen and enhance partnerships with local and regional business organizations that can assist in fostering a positive economic climate in the city.

COMMUNITY AND REGIONAL PLANNING:

- Former Marine Corps Air Station (MCAS) El Toro

The City will continue to monitor the implementation of the Great Park in Irvine, structures of the Federal Aviation Administration (FAA), and reuse by Federal Bureau of Investigation (FBI), including proposed circulation system infrastructure, open space habitat areas and land uses.

- Regional Development

The City will proactively monitor actions of the County of Orange, the Southern California Association of Governments, Air Quality Management District, Regional Water Quality Control Boards and other regional agencies as to their impact on Lake Forest, and participate in regional forums regarding California Senate Bill 375 and California Assembly Bill 32. Development in surrounding communities, such as northern Irvine, the canyon areas, Rancho Mission Viejo and Laguna Hills, will also be tracked.

- Opportunities Study

The Opportunities Study has transitioned from the “study” phase into the “implementation” phase, which focuses upon building public facilities, improving intersections, closing the Alton Parkway gap, and ensuring future private development meets study goals. The City will review precise development proposals and solicit community input to insure the development of high quality neighborhoods.



- Neighborhood Preservation

Forty four percent (44%) of the City’s housing stock was built prior to 1980 and is more than 30 years of age. As the housing stock matures, reinvestment and maintenance are necessary. At the same time, economic factors have stressed some neighborhoods within the city. In response, the City will embark upon a targeted community outreach effort to gather information, analyze specific trends and identify issues. The City will recommend policies and programs to protect the character and integrity of residential neighborhoods.

The City will improve landscape irrigation efficiency in its parks, medians, slopes and parkways.

- Availability of Water

California is experiencing a drought and is possibly facing state water supply restrictions. Over the next several years, all water customers, including residents and businesses, will need to focus on ways to use water more efficiently. Water districts serving Lake Forest (Irvine Ranch Water District, El Toro Water District, and Trabuco Canyon Water District) are initiating water rates in Lake Forest which encourage conservation. As a water consumer, the City will improve landscape irrigation efficiency in its parks, medians, slopes and parkways.

ENVIRONMENTAL

- Urban Runoff

New municipal urban runoff permits issued by Regional Water Quality Control Boards will require greater safeguards to reduce pollutants from runoff or urban discharges. The City will continue to participate with the County and other group stakeholders to formulate Integrated Regional Watershed Management Plans. Priority initiatives for Aliso Creek and San Diego Creek watersheds may require the City to participate in projects like the Aliso Creek diversion and improvements to Serrano Creek and Borrego Canyon Wash. The City will continue to encourage and educate businesses and residents to use best management practices to reduce impacts to receiving waters. The City will also work with special districts to divert run off to the sanitary sewer system in appropriate areas.

- Landscaping

Community aesthetics will be enhanced through new and rehabilitated medians, parkways and slopes along all arterial streets. The City will also work on transitioning city landscaping to recycled water.



- Flood Control

The City will continue to coordinate with the Orange County Flood Control District for its improvement, operation, and maintenance of all regional designated flood control facilities within the City. These include Borrego Canyon Wash, Serrano Creek, and Aliso Creek.

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CHAPTER 2 DEMOGRAPHICS

To address the needs of the local community, the City strives to understand its demographic characteristics and trends. Collecting, reviewing, and analyzing data on population characteristics, housing characteristics, and economic characteristics will guide the City in making sound, strategic decisions in a variety of areas, including service improvements and enhancements, budgeting, policy-making, and planning.

POPULATION CHARACTERISTICS

The City of Lake Forest is located in the heart of Orange County, the third most populous county in the state. With a population of 78,344, the City is the 13th largest city in Orange County (out of 34 cities) and the 100th largest city in the state (out of 480 cities), placing it in the top quartile of most populous California cities.

The City's population has grown at a modest rate over the past few years, with the City continuing to attract a diverse population of young professionals, families, and retirees. Current projections assume the City will maintain a modest rate of growth, although a population surge may be seen in the upcoming years as a result of new residential/commercial projects based upon the Opportunities Study.

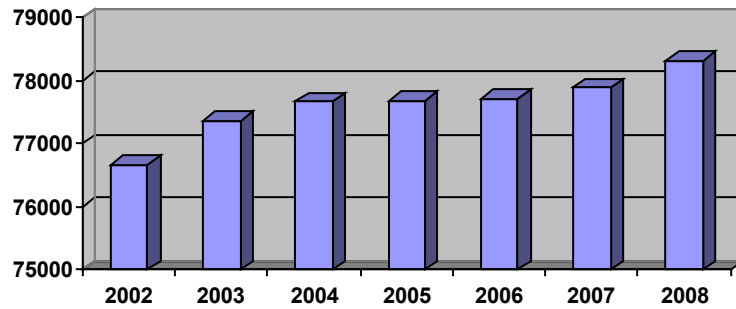
The City is the 13th largest city in Orange County and the 100th largest city in the state (out of 480 cities).

Population ¹	
2002	76,660
2003	77,371
2004	77,665
2005	77,693
2006	77,709
2007	77,886
2008	78,344

¹ Sources: State of California, Department of Finance, E-5 Population and Housing Estimates for Cities, Counties and the State, 2001-2009, with 2000 Benchmark. Sacramento, California, May 2009.

Demographic projections indicate that by 2050, over 20% of the County's population will be over 65 years of age.

Population by Year



Ethnicity and Race (as of 2008)²

White	57%
Hispanic	20%
Asian	10%
Black	1%
Other	12%

Age

Demographic changes in our local population, particularly related to population aging, will impact the community and the local economy. This is a trend that is being seen throughout Orange County. Demographic projections indicate that by 2050, over 20% of the County's population will be over 65, compared to 10% in 2000. As the over 65 population increases, the 25-54 age group in Orange County is expected to decrease by as much as 10%.³

Population by Age (as of 2008)⁴

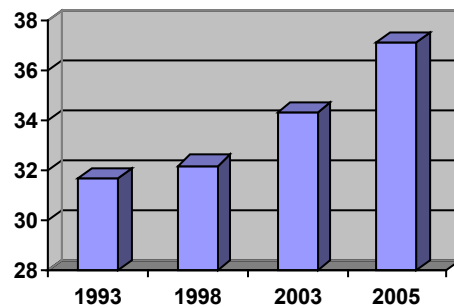
Under 19	29%
18 – 34	21%
35 – 54	34%
55 – 64	9%
65+	8%

² City of Lake Forest Annual Report

³ State of California, Department of Finance

⁴ 2009 Demographics Now

Median Age Over Time⁵



Education

The educational attainment levels of the City's 25 years and over population are representative of a well-educated community. Over 80% of residents have some college or higher. Higher levels of education among community members positively affect median salaries, neighborhood stability, as well as property values.

Educational Attainment (as of 2008) ⁶	
Some College	13%
Associate Degree	29%
Bachelor's Degree	23%
Professional Degree	17%

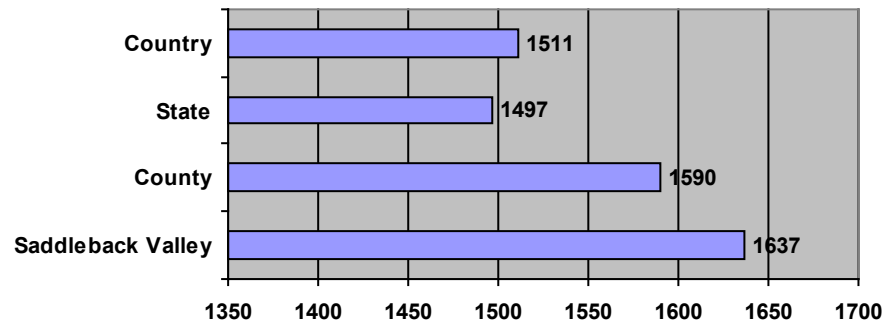
Over 80% of residents have some college or higher.

Students of the SVUSD continue to perform at higher levels than the County averages.

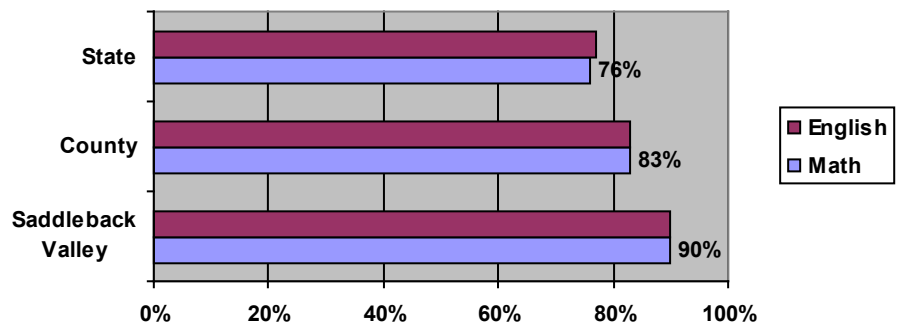
The academic performance of the local school district along with the educational achievements of the City's high school students also promotes high property values. The City of Lake Forest is part of the Saddleback Valley Unified School District (SVUSD). In key areas such as SAT scores and passing rates on high school exit exams, students of the SVUSD continue to perform at higher levels than the County averages.

The City has a significantly higher rate of owner-occupied homes at 72%.

Average Total SAT Scores - 2007⁷



Passing Rates on High School Exit Exam - 2007⁷



HOUSING CHARACTERISTICS

The decline in the housing market has had a major impact on communities throughout the country, and Lake Forest is no exception. However, based upon its prime location in the heart of Orange County, the declines seen in the City have not been as severe as in other locales. County-wide, median home prices dropped 27% between 2007 and 2008, while the City experienced a drop of 25% for the same time period. Although these percentages are significant, it is important to note that these decreases come after years of double digit increases.

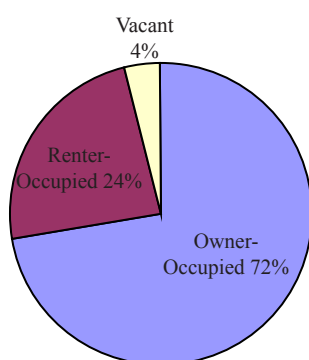
⁵ Leadership Committee Presentation

⁶ 2009 Demographics Now

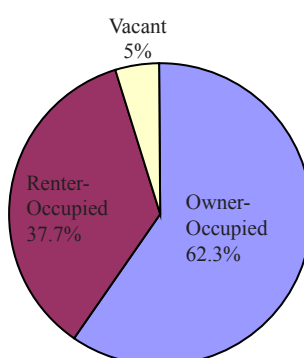
⁷ Orange County Work Force: 2008 State of the County Report

Although the housing market has slumped, interest in homeownership is still very high. County-wide, the percentage of owner-occupied homes is 62%. The City has a significantly higher rate of owner-occupied homes at 72%. This higher rate promotes benefits to the individual homeowners and the community as a whole. It has been shown that cities with higher rates of owner-occupied homes enjoy engaged residents who actively participate in voluntary and political activities, residents who stay in their homes longer contributing to neighborhood stability, and stronger local communities.

**Lake Forest Households
By Tenure⁸**



**Orange County Households
By Tenure⁸**



With a majority of residents being homeowners, it is important for the City to stay abreast of the overall aging of the housing inventory. Approximately 43% of homes in the City were built prior to 1980. However, the City may also soon see an influx of new housing. Based upon the Opportunities Study, the City Council approved Zoning/General Plan/Development Agreements which would allow for up to 1,923 new housing units on four separate sites in the northern area of the city, with the potential for additional housing units on the land owned by Shea/Baker Ranch. These units will be built after project-specific entitlements are approved and at the discretion of each landowner.

Lake Forest residents enjoy an above average median household income of \$90,443

Housing Units By Type (as of 2008)⁸		
	Number	%
Single Family (Detached/Attached)	18,089	69
Multi Family	7,010	27
Mobile Homes	1,286	5
Total Housing Units	26,385	

ECONOMIC CHARACTERISTICS

Occupational Profile

The occupational profile of the community showcases a highly capable talent pool. Management, professional, and related occupations constitute 44% of occupations in the City, with sales and office occupations constituting another 32%. The high number of community members employed in white collar occupations coincides as expected with the educational profile of the City's 25 and over population. Lake Forest residents also enjoy an above average median household income of \$90,443 which can be directly correlated to the highly educated workforce.

Occupational Profile (as of 2008)⁹	
Management/Professional	44%
Sales/Office	32%
Service	11%
Construction/Maintenance	7%
Production/Transportation	6%
Farming/Fishing/Forestry	0.5%
Largest Employers	
Oakley, Inc.	
Western Digital Corporation	
Panasonic Avionics Corporation	
AcroPower Corporation	
Onyx Acceptance Corporation	
Next+Link Technology, Inc.	
Apria Healthcare Group, Inc.	

Assessed Property Values

The City has seen sizable increases in assessed property values from 2002 through 2007 due to the local housing market and a number of commercial projects. In the residential sector, home owners continued home improvement projects such as adding rooms and building swimming pools, resulting in higher assessed values. In the commercial sector, a number of projects boosted assessed property values, including: completion of two new hotels, completion of portions of The Orchard, completion of The Home Depot, and completion of an auto dealership. However, with the

recent slow down in the residential and commercial real estate market, assessed valuations are expected to increase only modestly over the next few years.

<u>Assessed Property Values</u> (expressed in billions)		
Fiscal Year	Value	% Change
2002	\$7,069,472	
2003	\$7,589,796	7.4%
2004	\$8,207,196	8.1%
2005	\$8,729,773	6.4%
2006	\$9,439,679	8.1%
2007	\$10,893,431	15.4%

Construction Permits

Activity related to construction permits has varied over the years depending on the timing of permits issued. From 2003 to 2004, permit activity declined due to development being mostly built out in the Pacific Commercentre and Foothill Ranch areas. Construction permit activity increased in 2005 as the Arbor on El Toro Road construction began. This permit activity took approximately a year to complete resulting in lower permit activity in 2006. Although the number of construction permits issued decreased significantly in 2007, the valuation of those permits

The City continues to attract and retain local and corporate businesses based upon its business-friendly environment and proactive approach to supporting business.

was actually higher than the previous year. Looking ahead, based upon the current economy, a drop is expected in the number of construction permits issued and their valuation over the course of the next few years. However, based upon the results of the Opportunities Study, the City may see a surge in construction activity.

<u>Construction Permits</u>			
Fiscal Year	# of Permits	Valuation	% Change
2002	1,573	\$61,881,503	
2003	1,594	\$53,394,469	-13.7%
2004	1,516	\$38,094,914	-28.7%
2005	1,378	\$50,531,799	32.6%
2006	1,138	\$36,447,681	-27.9%
2007	727	\$37,540,419	3.0%

Sales Taxes

A significant indicator of the health of the local economy is the performance of businesses operating within the City. The City continues to attract and retain local and corporate businesses based upon its business-friendly environment and proactive approach to supporting business. Sales taxes have risen substantially over the last five years, with the increase moderating in Fiscal Year 2007-08. Declines in sales taxes are expected in the next two fiscal years.

<u>Sales Taxes</u>		
Fiscal Year	Amount	Year-to-Year % Change
2003	\$10,874,978	
2004	\$12,432,181	14.3%
2005	\$13,449,323	8.2%
2006	\$14,300,623	6.3%
2007	\$15,065,518	5.4%
2008	\$15,210,158	0.9%

CHAPTER 3 RESIDENT AND BUSINESS SURVEYS

Staying on top of evolving community sentiment is crucial to identifying current and future areas for improvement as well as ensuring that the appropriate resources are dedicated to maintaining a high level of service in areas of importance to the community. To gauge the community's satisfaction, priorities, and concerns as they relate to services and facilities provided by the City of Lake Forest, the City commissions Resident and Business Satisfaction Surveys ("Surveys") on a biennial basis. Over the years, the results have helped guide Council and staff in making sound, strategic decisions in a variety of areas, including service improvements and enhancements, budgeting, policy-making, and planning.

"I am pleased to note that over the past eight years, both residents and businesses are increasingly more satisfied with city services," said Robert C. Dunek, City Manager. "While we take great pride in our accomplishments, our job is to continue to improve."

Nearly every resident surveyed (93%) rated the quality of life in the City as excellent or good

The most recent Surveys were completed in December 2008. The following summary will focus on the "Big Two" survey items – those determined to be highly indicative of the community's general perceptions of local and city issues as well as the community's level of overall satisfaction. For more detailed information, please reference the Community Satisfaction Survey Report.

GENERAL PERCEPTIONS OF CITY AND LOCAL ISSUES

The City's performance in providing municipal services has contributed to a high quality of life in the City, as well as a positive business climate. Nearly every resident surveyed (93%) rated the quality of life in the City as excellent or good, and most businesses (71%) rated Lake Forest's business climate favorably when compared to neighboring areas. To maintain a high quality of life and a favorable business climate, the City sought to identify those areas considered by community members as needing improvement or attention in the immediate future.

Question 2

Resident Survey: What do you feel is the most important issue facing residents of Lake Forest?

Business Survey: What do you feel are the one or two most important issues facing the business community of Lake Forest?

Question 2 was designed to allow residents and businesses the opportunity to indicate what they feel is the most important issue facing the community of the City of Lake Forest. To identify those issues that were most important to Survey respondents, the question was asked in an open-ended manner. Figures 1 and 2 present the results for both the Resident community and the Business community.

Figure 1
General Perceptions of City and Local Issues:
Resident Survey Question 2

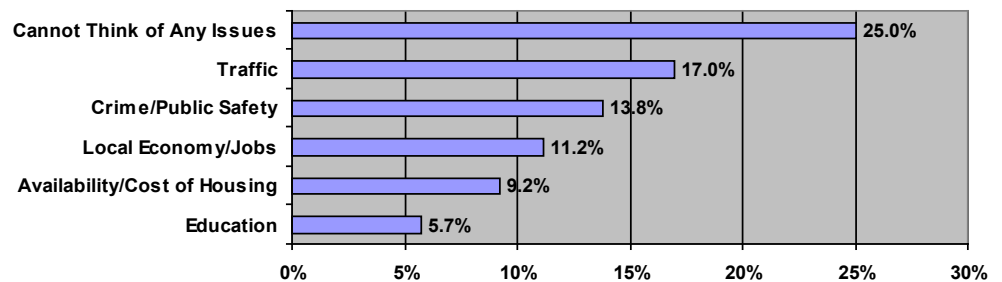
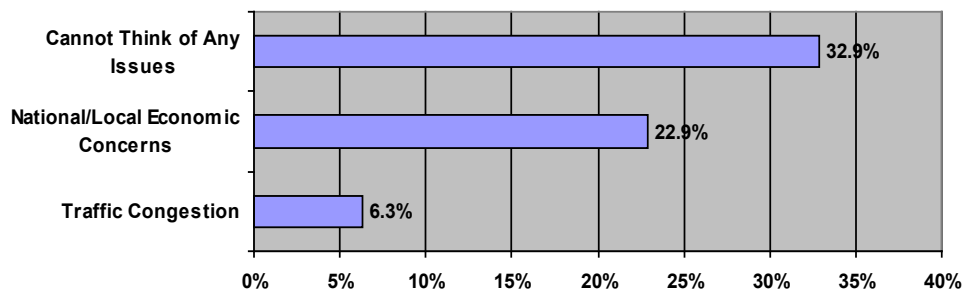


Figure 2
General Perceptions of City and Local Issues:
Business Survey Question 2



For both resident and business respondents, it is significant that the most frequent answer was “cannot think of any issues.” For those residents who identified issues, the most commonly cited were traffic (17%), crime/public safety (14%), local economy/jobs (11%), availability/cost of housing (9%), and education (6%). For those business owners and managers who identified issues, the most commonly cited were national/local economic concerns (23%) and traffic congestion (6%).

OVERALL SATISFACTION

The Lake Forest community is a highly satisfied community, with an overwhelming majority of residents and businesses stating that – overall – they were satisfied with the City’s efforts to provide municipal services. It is important and informative to note that the responses collected during the 2008 Surveys continue an eight-year trend of increased overall satisfaction with the City of Lake Forest’s performance in meeting the community’s needs and expectations.

Question 5

Resident/Business Survey: I’m going to read you a sentence, and I’d like you to finish it for me. Here is the sentence: What I want most from the City of Lake Forest over the next two years is: ____.

Question 5 asked respondents in an open-ended manner to indicate what they most want the City to accomplish during the next two years. Most survey questions prompt respondents by providing options to choose from.

The responses collected during the 2008 Surveys continue an eight-year trend of increased overall satisfaction with the City of Lake Forest’s performance in meeting the community’s needs and expectations.

This particular question was purposefully not prompted, to truly identify those issues that were “top of mind.”

For both residents and businesses, the most common response to this question was “not sure” or “nothing.” These responses are significant in that they indicate that the City of Lake Forest is meeting the needs of its residents and local businesses. Of those Resident respondents that identified tangible “wants,” the most common requests were for reduced/improved traffic (12%), increased crime prevention/safety (11%), and increased/improved recreation (5%). Of those Business respondents that identified tangible “wants,” the most common requests were for improved support of businesses/communication (12%), redevelop/beautify/landscape city (7%), and maintain/improve infrastructure (7%). Figures 5 and 6 present the results for both the Resident community and the Business community.

Figure 5
What Residents Want Most:
Survey Question 5

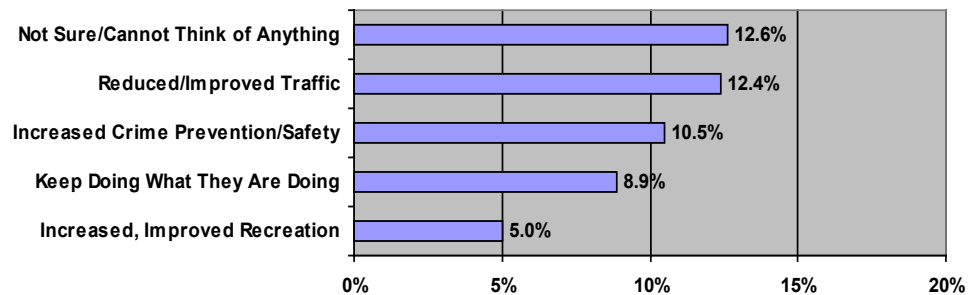
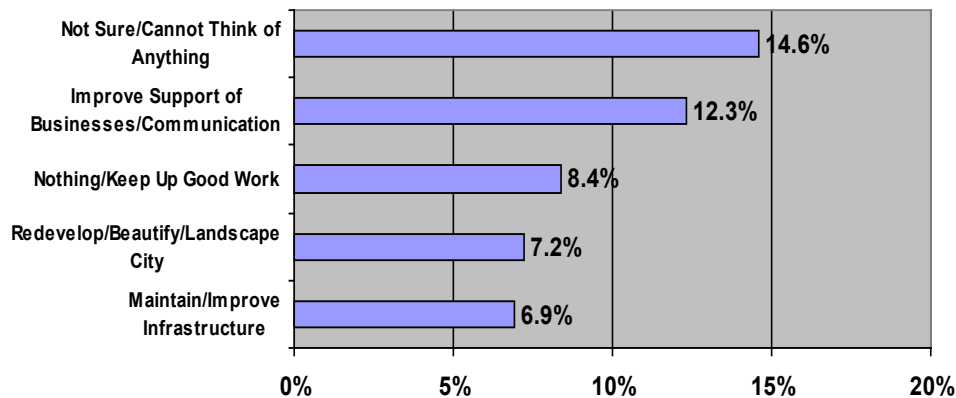


Figure 6
What Businesses Want Most:
Survey Question 5



CONCLUSION

As a whole, the responses collected from the Surveys are indicative of a highly satisfied community. The responses to Question 5 – “What Residents/Businesses Want Most” – are the crux of the survey and will greatly influence the City’s resources and efforts over the next five years. Looking forward, the City of Lake Forest will utilize all the feedback provided through the Surveys to address the top priorities/concerns of community members, recognizing that a major concern centers on traffic congestion. The City’s performance in providing municipal services has contributed to a high quality of life in the City, as well as a positive business climate, and the City of Lake Forest will continue to focus on delivering and maintaining the high quality of services that it currently provides.

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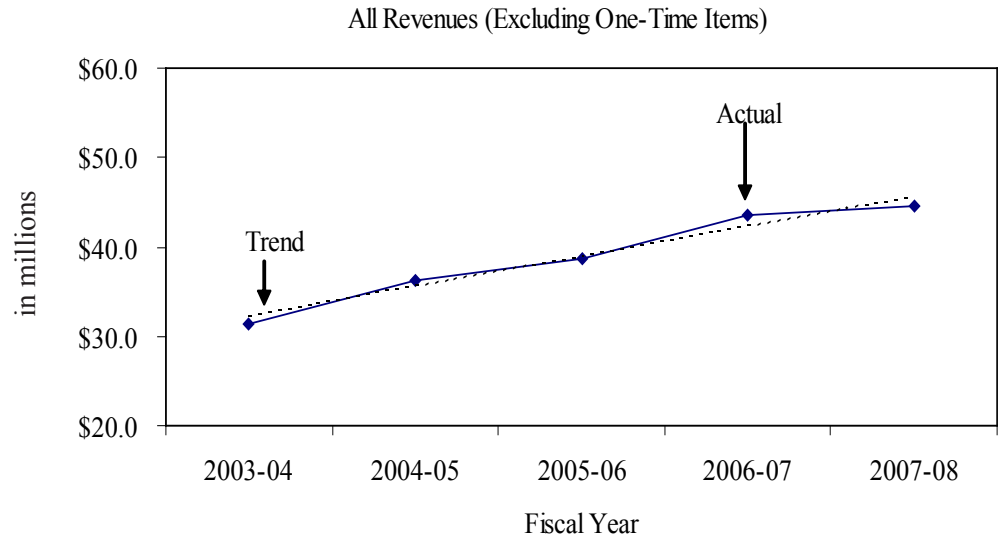
CHAPTER 4 REVENUE OUTLOOK

A critical element of the Strategic Plan (“Plan”) is the projection of revenues for the five-year period of the Plan. The model used by Lake Forest is based on the City’s prior history and future expectations. By knowing what has happened in the past and why, this information can be used to project into the future.

The Past – All Revenues

Overall revenues, excluding one-time items, increased from Fiscal Year 2004-05 through Fiscal Year 2007-08. During that time, significant increases in revenues were enjoyed by the City. These increases were a result of the following factors: (1) sales taxes increased due to the healthy local economy and the addition of new businesses; (2) property tax revenues increased due to the thriving local real estate market; (3) investment earnings grew dramatically as the Federal Reserve Bank raised interest rates multiple times and as the City’s investment portfolio grew in response to the notable increase in revenues; and (4) the State resumed annual payments of previously withheld motor vehicle in-lieu fees, now considered to be a property tax.

Overall revenues increased by an average of 8.4% per year from Fiscal Year 2003-04 through Fiscal Year 2007-08. In Fiscal Year 2007-08, increases in overall revenues moderated as a result of the decline in the housing market and its effect on the economy that began in mid-2006. The two most significant categories of revenues are (1) local taxes and (2) revenues from other governments. For Fiscal Year 2007-08, these revenues were approximately 83% of total revenues, excluding one-time items.



The Past - Local Taxes

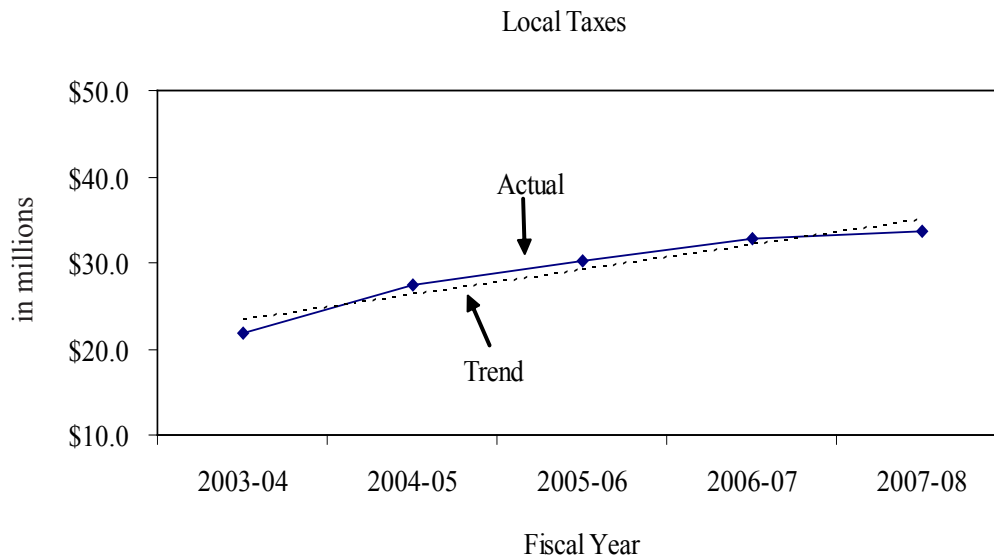
Local taxes, at 73% of total revenues, are a combination of property taxes, sales taxes, franchise fees, and transient occupancy taxes.

Property tax receipts increased an average of 5.8% per year from Fiscal Year 2003-04 to Fiscal Year 2007-08. Beginning in Fiscal Year 2004-05, the “backfill” portion of motor vehicle in-lieu fees was converted from “revenue from other governments” to a property tax that increases with annual assessed valuations. This change caused a large increase in this revenue category. Even though the pre-2006 healthy local real estate market increased property tax revenues, increases were partly offset by the State’s requirement of contributions from the City in Fiscal Years 2004-05 and 2005-06 to assist in addressing its budget deficit.

Sales tax receipts increased an average of 4.5% per year from Fiscal Year 2003-04 to Fiscal Year 2007-08. This was primarily attributable to the previously healthy local economy prior to the housing market decline, the maturing of existing businesses, and the opening of new businesses within the City. In Fiscal Year 2006-07, many new businesses opened on El Toro Road, in response to the traffic and landscape improvement project.

Transient occupancy tax receipts increased an average of 4.6% per year from Fiscal Year 2003-04 to Fiscal Year 2007-08. These increases were due to the opening of new hotels, the previously healthy local economy, and the maturation of existing hotels.

Franchise fees increased moderately at an average of 3.8% per year from Fiscal Year 2003-04 through Fiscal Year 2007-08.



The Past - Revenues From Other Governments

Revenues from other governments, at 7.8% of total revenues, consist primarily of motor vehicle license fees (MVLFF), gas taxes, Measure M revenues, Proposition 42 revenues, and recurring grant allocations. Overall, these revenues decreased 47.9% from Fiscal Year 2003-04 to Fiscal Year 2007-08.

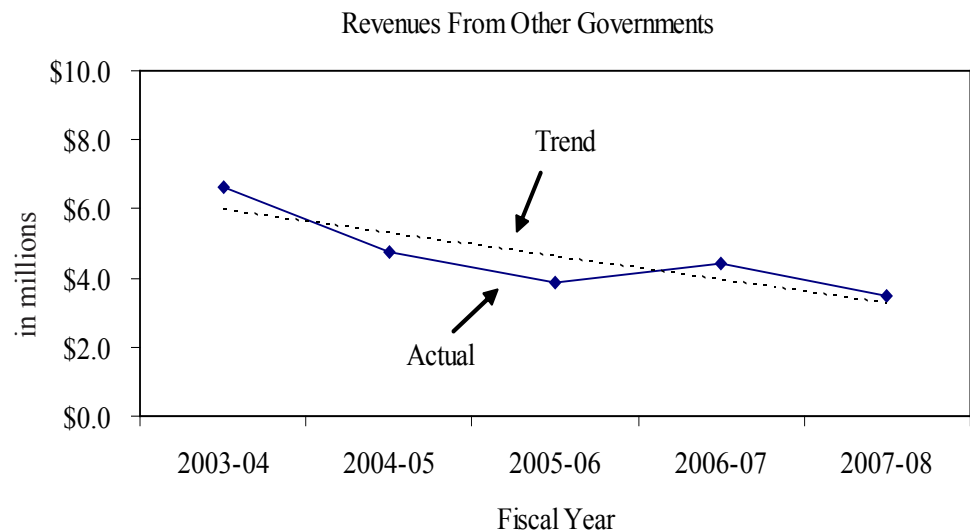
MVLFF revenues underwent significant changes in Fiscal Year 2004-05, as was noted previously, and about two-thirds of this revenue source (“the backfill”) was converted to a property tax. In addition, the State withheld payment of the “backfill” in Fiscal Year 2003-04 and this amount was repaid to the City in Fiscal Year 2004-05. The remaining portion of this revenue is still allocated on a “per capita” basis. This revenue source decreased 90.2% from Fiscal Year 2003-04 to Fiscal Year 2007-08, as a result of this situation.

From Fiscal Year 2003-04 through Fiscal Year 2007-08, gas tax revenues decreased modestly by 3.3%.

As a result of the previously healthy local and state economy, Measure M revenues increased an average of 10% per year from Fiscal Year 2003-04 to Fiscal Year 2007-08. In the November 2006 election, approximately 70% of Orange County voters extended this revenue source for an additional 30 years. As a result, the City will receive larger allocations beginning in 2013.

Proposition 42 payments were suspended by the State in Fiscal Years 2003-04 and 2004-05. The State made repayments of the prior year suspensions in Fiscal Year 2005-06 and 2006-07. No payments were received in Fiscal Year 2007-08. Based on the foregoing, this revenue source has not been reliable in the last several years.

In 2006, 70% of Orange County voters extended Measure M for 30 years.



The Future

Revenue categories have been projected based on past activity, recent revised estimates for Fiscal Year 2008-09, one-time revenues, and the anticipated future economic climate.

Property taxes are expected to decrease in Fiscal Years 2009-10 (-2%) and 2010-11 (-1%), but are expected to begin increasing in Fiscal Years 2011-12 (1%), 2012-13 (2%), and 2013-14 (2%). These reductions and lower growth estimates are a result of the ongoing decline in the real estate market.

Sales taxes are projected to decrease by 5% in Fiscal Year 2009-10, due to the ongoing recession and loss of revenues from business closures. The declines noted above have been mitigated by new businesses along El Toro Road. After the decline in Fiscal Year 2009-10, sales taxes are expected to modestly increase in Fiscal Years 2010-11 (1%), 2011-12 (1%), 2012-13 (3%), and 2013-14 (3%).

Investment earnings are expected to decline rapidly in the next several years due to the current rate reductions made by the Federal Reserve Bank and the potential effect on the overall portfolio. In addition, large public facility capital projects are scheduled to begin in Fiscal Year 2009-10.

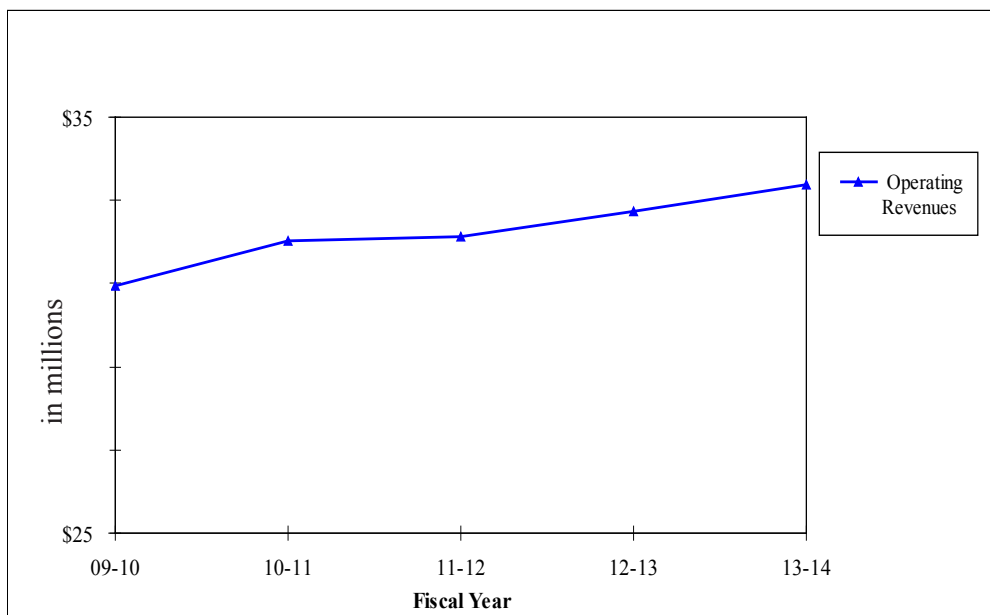
Other revenues negatively impacted by the housing market and the related downturn in the economy are transient occupancy taxes, real property transfer taxes, motor vehicle in-lieu fees, building permits, and plan checks.

All other revenue categories are expected to remain relatively stable. These revenue projections are based on the ongoing recession. In addition, the City will carefully monitor State actions in relation to local revenue sources. Proposition 1A has provided security to certain revenues and these projections rely on the continuance of this protection. Recent communications as to the State's intentions denote a potential loan from the City of approximately \$1.3 million. This loan has been reflected in the Plan as a reduction to local taxes. Once the current economic downturn has ended, the City's well diversified revenue base is expected to increase modestly.

Once the current economic downturn has ended, the City's well diversified revenue based is expected to increase modestly.

Revenue Outlook

Operating Revenues



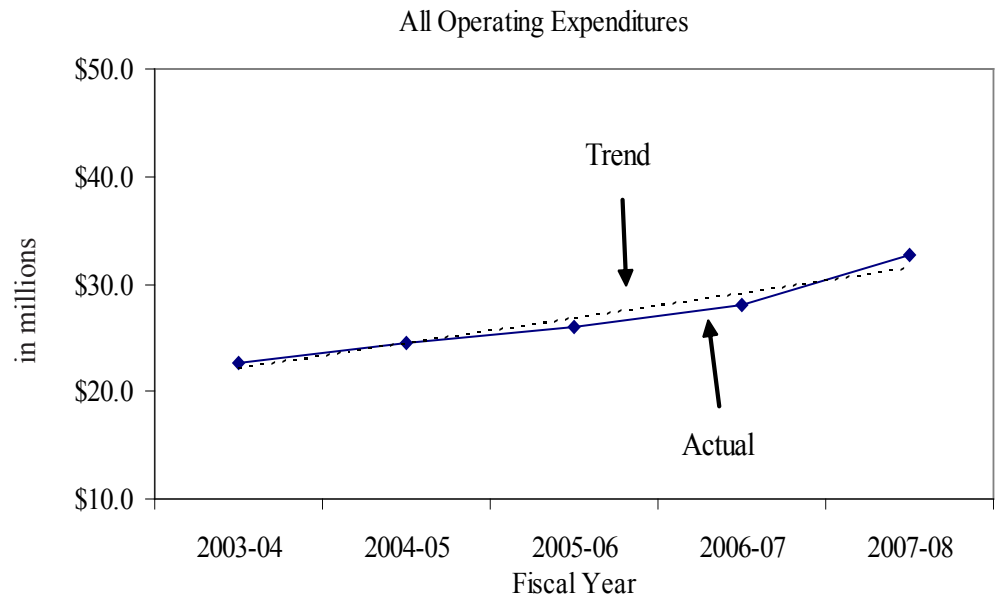
CHAPTER 5 OPERATING EXPENDITURE OUTLOOK

Operating expenditures (total expenditures excluding capital projects and one-time items) are a second component of the financial portion of the Strategic Business Plan (“Plan”). The other two components are revenues and capital projects, which are described in Chapters 4 and 7. Unlike revenues, the City has greater control over expenditures, since decisions can be made to either increase or decrease expenditures.

The Past – All Operating Expenditures

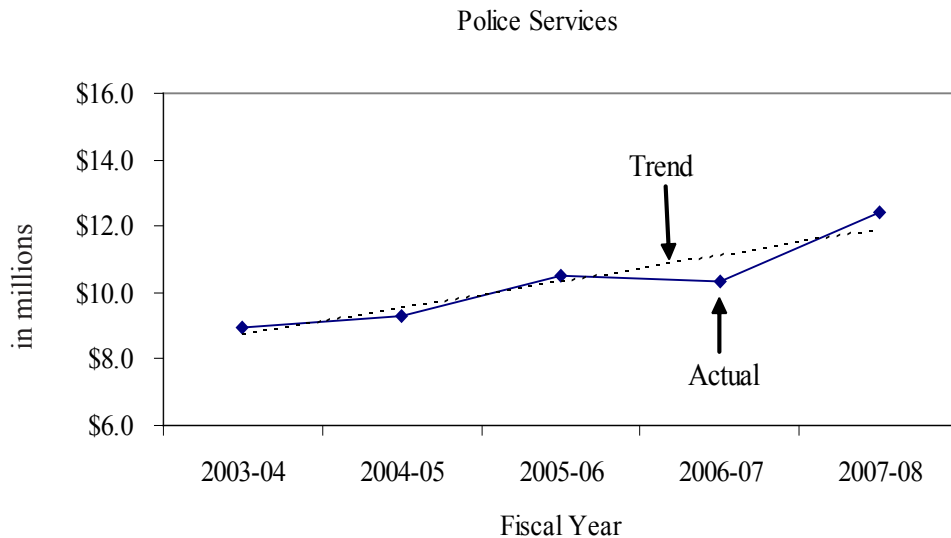
Operating expenditures have increased as the City has expanded services and added facilities, such as renovating a number of parks over the last few years. This has occurred over time on a measured basis to provide ample opportunity to determine services that would benefit the community and that could be provided within the budget limitations of the City. Caution is crucial when using the past to project the future as the City continues to pursue a path of steady growth in services during these times of economic uncertainty.

Overall operating expenditures increased by an average of 8.9% per year from Fiscal Year 2003-04 through Fiscal Year 2007-08. These increases were primarily due to higher expenditures in the two most significant departments (Police Services and Public Works) and moderate increases in several other departments.



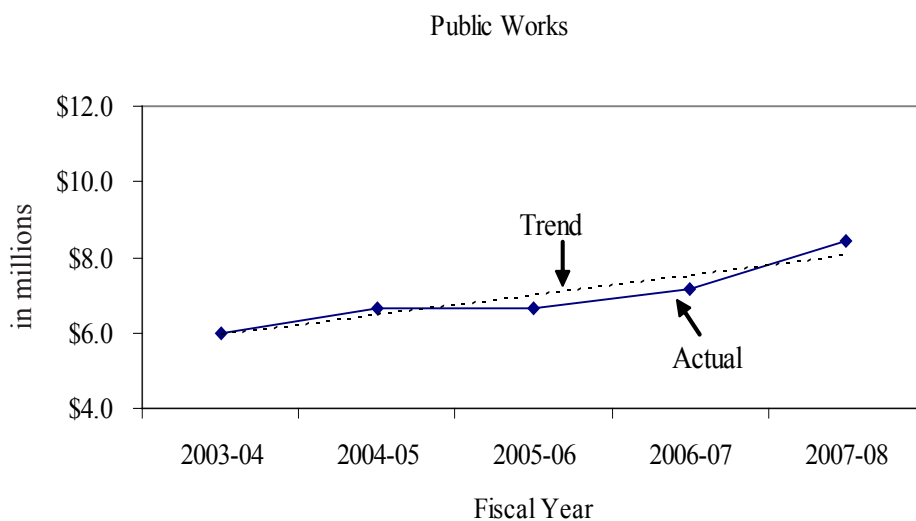
The Past - Police Services

The Police Services Department accounts for approximately 38% of operating costs. Police Services expenditures have shown a steady increase over the last five years, with an overall trend of 7.7% per year. Costs remained relatively stable through Fiscal Year 2004-05. During Fiscal Year 2005-06, costs increased almost 13% as a result of a renegotiation of the contract by the County of Orange (“County”). Costs decreased slightly in Fiscal Year 2006-07, mostly a result of credits received from the County for expenditure savings from vacancies and other costs. In Fiscal Year 2007-08, Police Services Department costs increased by 8% due to the following: a renegotiation of the county contract, the addition of a Community Services Officer in the Orange County Sheriff’s Office to support a new traffic enforcement program, and the addition of a Public Safety Manager for the City.



The Past - Public Works

The Public Works Department accounts for approximately 25% of operating costs. Public Works expenditures have increased steadily over the last five years, with an overall trend of 8% per year. Costs remained relatively stable from Fiscal Year 2003-04 through Fiscal Year 2006-07. Costs increased in Fiscal Year 2007-08 in the areas of street maintenance and the addition of six new parks obtained via irrevocable offers of dedication.

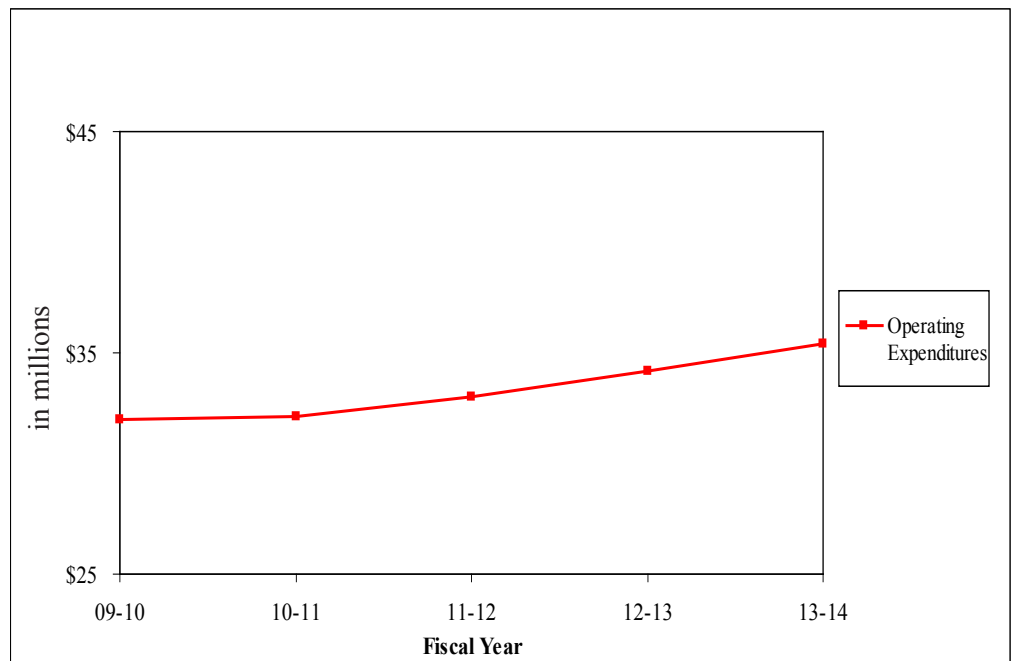


The Future

As was noted previously, unlike revenues, the City has a greater degree of control over changes in the level of expenditures. Because the last five years were a period of the growth of services to a desired level in the previously healthy economy, the use of trends must be used with caution. If there are no additional service enhancements or new services, then it is useful to project operating expenditure increases over the next five years at the same rate as for the past five years. Additionally, it would be necessary to include various one-time expenditures that are likely to occur, such as election costs, replacement of fixed assets (vehicles, computers, etc.), and other special projects.

The Plan assumes a base of current levels of service with moderate increases of 1.5% in Fiscal Years 2010-11 and 2011-12, and 3% in Fiscal Years 2012-13 and 2013-14 unless modified by the integration of proposed new programs and projects. In addition, estimated operating costs for each of the proposed capital projects, if applicable, have been determined and these additional operating costs have been included in the Plan in the year following construction.

Operating Expenditures



CHAPTER 6 PROPOSED OPERATING PROGRAMS

Each program has been detailed on separate sheets within this chapter. Each sheet contains the department, the program description, a cost detail, and the funding source(s). Following is a list of the proposed programs along with the corresponding page numbers for additional detail:

DEPARTMENT/PROGRAM

PAGE

Finance:

State Controller Report Preparation 44

Development Services:

Comprehensive General Plan Update 45

Management Services:

Website Enhancements 46

Customer Service Software 47

Community Services:

Leisure Times Postage 48

Special Needs Programming 49

Police Services:

Responsible Pet Ownership Program 50

Community Emergency Preparedness Academy

Recertification Program 51

Redevelopment/Economic Development:

Go Local – Service Planning 52

Website Update Services 53

PROGRAM TITLE: State Controller Report Preparation

DEPARTMENT: Finance

PROGRAM DESCRIPTION:

This program provides for a consultant to prepare State Controller reports for the City and the Redevelopment Agency, in addition to the Street Report. The State of California requires that these reports be prepared annually and the reports are due during the year end closing process. Because the reports require special expertise and significant staff time, it is common practice for agencies to contract for this service.

COST DETAIL:

<u>FISCAL YEAR</u>	<u>COST</u>
2009-10	\$7,000
2010-11	\$7,100
2011-12	\$7,400
2012-13	\$7,600
<u>2013-14</u>	<u>\$7,900</u>
TOTALS	\$37,000

SOURCE OF FUNDING:

General Fund – 70%

Redevelopment Operating Fund – 30%

PROGRAM TITLE: Comprehensive General Plan Update

DEPARTMENT: Development Services

PROGRAM DESCRIPTION: _____

This program consists of a comprehensive update of the General Plan to reflect the programs and policies to maintain the character and beauty of Lake Forest. The current General Plan was adopted in 2001 due to the annexation of Portola Hills and Foothill Ranch. Revisiting the General Plan in 2013 will allow the City to look forward and re-evaluate its policies based on updated conditions.

COST DETAIL:

<u>FISCAL YEAR</u>	<u>COST</u>
2009-10	\$0
2010-11	\$0
2011-12	\$0
2012-13	\$0
<u>2013-14</u>	<u>\$100,000</u>
TOTALS	\$100,000

SOURCE OF FUNDING:

General Fund - 100%

PROGRAM TITLE: Website Enhancements

DEPARTMENT: Management Services

PROGRAM DESCRIPTION:

This program will consist of regular updates to the City website to ensure the website remains a dynamic, reliable source of current City information. While residents indicate that they are satisfied with the current offerings on the website, the opportunity exists to expand the features to provide more transparency into the legislative process and to provide services, such as online payment of building permit fees and City records search, to constituents.

COST DETAIL:

<u>FISCAL YEAR</u>	<u>COST</u>
2009-10	\$0
2010-11	\$0
2011-12	\$0
2012-13	\$0
<u>2013-14</u>	<u>\$20,000</u>
TOTALS	\$20,000

SOURCE OF FUNDING:

General Fund - 100%



PROGRAM TITLE: Customer Service Software

DEPARTMENT: Management Services

PROGRAM DESCRIPTION:

The City currently uses software to track communication with residents (phone calls, emails, and written correspondence) and residents' access through the City website to ensure that residents' requests and questions are responded to in a timely manner. The City has used the existing software for eight years. This program will re-evaluate and determine if there is a need for an upgrade to the existing software or if a new software product may better serve the City and its residents.

COST DETAIL:

<u>FISCAL YEAR</u>	<u>COST</u>
2009-10	\$0
2010-11	\$0
2011-12	\$0
2012-13	\$0
<u>2013-14</u>	<u>\$50,000</u>
TOTALS	\$50,000

SOURCE OF FUNDING:

General Fund - 100%



PROGRAM TITLE: Leisure Times Postage

DEPARTMENT: Community Services

PROGRAM DESCRIPTION:

With the growth in programming in the Community Services Department, the quarterly Leisure Times publication has grown significantly. The most recent edition – Summer 2009 – totaled 36 pages. Based on the publication's growth, coupled with the need to brand the Leisure Times publication separately from The Leaflet, staff recommends the separation of these two publications. The Leisure Times will continue to be sent out quarterly and will include a page for city information highlighting Capital Improvement Plan projects and other important information.

COST DETAIL:

<u>FISCAL YEAR</u>	<u>COST</u>
2009-10	\$24,000
2010-11	\$24,400
2011-12	\$24,800
2012-13	\$25,600
2013-14	\$26,400
TOTALS	\$125,200

SOURCE OF FUNDING:

General Fund - 100%



PROGRAM TITLE: Special Needs Programming

DEPARTMENT: Community Services

PROGRAM DESCRIPTION: _____

The special needs population benefits from recreational programs that are specifically developed for their community. Two local organizations, Us Too Gymnastics and the Challengers Baseball Program, both offer specialized programming for those individuals with high functioning disabilities including autism, Aspergers syndrome, Attention Deficit Disorder (ADD)/Attention Deficit Hyperactivity Disorder (ADHD), Down syndrome, and hearing impairments.

The requested monies would allow the city to offer programming to the special needs population of Lake Forest for the following types of programs:

- Gymnastics
- Dance
- Track and Field
- Baseball
- Football
- Parent and Me Play Groups

COST DETAIL:

<u>FISCAL YEAR</u>	<u>COST</u>
2009-10	\$5,000
2010-11	\$5,100
2011-12	\$5,200
2012-13	\$5,400
<u>2013-14</u>	<u>\$5,600</u>
TOTALS	\$26,300

SOURCE OF FUNDING:

General Fund - 100%

PROGRAM TITLE: Responsible Pet Ownership Program

DEPARTMENT: Police Services

PROGRAM DESCRIPTION:

The Responsible Pet Ownership Program (RPOP) is intended to address multiple issues related to the pet population in Lake Forest.

Initiating a spay/neuter program by providing vouchers for alteration procedures has been identified as the most effective manner in which to encourage residents to alter their pets. These \$50 vouchers would be redeemable at veterinary clinics and hospitals in the city that have agreed to participate in the program.

Staff has worked with the Friends of Lake Forest Animals in order to create a Trap/Neuter/Release program. As a result of this program, feral cats would be trapped in a humane manner, then given a medical screening and altered. The Friends of Lake Forest Animals would ensure that the animal is in the appropriate condition to be returned to the area in which it was trapped. These steps will reduce the feral cat population and improve the quality of life for the existing animals.

COST DETAIL:

<u>FISCAL YEAR</u>	<u>COST</u>
2009-10	\$5,000
2010-11	\$5,100
2011-12	\$5,200
2012-13	\$5,400
<u>2013-14</u>	<u>\$5,600</u>
TOTALS	\$26,300

SOURCE OF FUNDING:

General Fund - 100%

PROGRAM TITLE: Community Emergency Preparedness Academy – Recertification Program

DEPARTMENT: Police Services

PROGRAM DESCRIPTION: _____

This program invites graduates of the Lake Forest Community Emergency Preparedness Academy to a one day recertification class to renew First Aid, Cardiopulmonary Resuscitation (CPR) and Automated External Defibrillator (AED) certifications. Community Emergency Preparedness Academy participants earn these certifications, which expire after two years, during the Academy. Recertification classes would be offered once per year at Lake Forest City Hall.

COST DETAIL:

<u>FISCAL YEAR</u>	<u>COST</u>
2009-10	\$1,500
2010-11	\$1,500
2011-12	\$1,500
2012-13	\$1,600
<u>2013-14</u>	<u>\$1,600</u>
TOTALS	\$7,700

SOURCE OF FUNDING:

General Fund – 100%

PROGRAM TITLE: Go Local - Service Planning

DEPARTMENT: Redevelopment/Economic Development

PROGRAM DESCRIPTION:

The Orange County Transportation Authority (OCTA) Go Local Program is a multi-step process for city-initiated transit planning to extend commuter rail service by allowing cities to develop transit to connect major destinations, employment, and activity centers to Metrolink stations. Lake Forest is currently participating in the comprehensive service planning process for two shuttle concepts to compete for Step Three funding. The two shuttle concepts are:

- ✓ **Park & Ride Metrolink Shuttle:** A scheduled shuttle service from an existing Park & Ride lot in Laguna Hills and another yet to be determined lot in Lake Forest that will travel to/from the Irvine Metrolink Station, serving residents of both cities that commute via Metrolink.
- ✓ **Commuter Shuttle Service to Northern Lake Forest:** The Commuter Shuttle option would provide demand-responsive service for commuters arriving at the Irvine Metrolink Station on weekday morning trains destined for the employment areas in northern Lake Forest, and would provide return service during the afternoon rush hours.

COST DETAIL:

<u>FISCAL YEAR</u>	<u>COST</u>
2009-10	\$10,000
2010-11	\$0
2011-12	\$0
2012-13	\$0
<u>2013-14</u>	<u>\$0</u>
TOTALS	\$10,000

SOURCE OF FUNDING:

Air Quality Improvement Fund – 100%

PROGRAM TITLE: Website Update Services

DEPARTMENT: Redevelopment/Economic Development

PROGRAM DESCRIPTION:

Updating and enhancing the Economic Development webpage is a critical component of the expanded Business Development and Attraction Program that will ensure the City remains competitive with other local and regional cities. The economic development webpage is a marketing tool for the City's business opportunities and therefore an extension of the City's efforts to showcase Lake Forest as a premier destination for local, national, and international business.

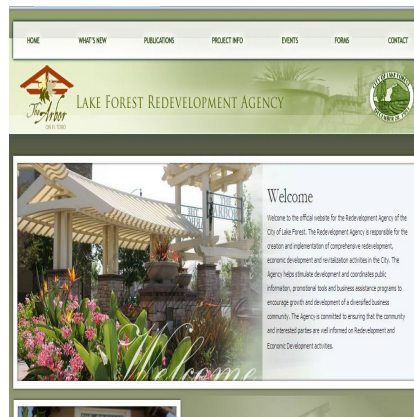
Specific improvements could include graphical updates, improved site navigation parameters, and online information retrieval systems allowing existing and potential businesses to make more informed choices about business growth and development opportunities available to them. Updates and enhancements will promote the retention of existing businesses as well as the attraction of new businesses which will support diversification of the local economy.

COST DETAIL:

<u>FISCAL YEAR</u>	<u>COST</u>
2009-10	\$10,500
2010-11	\$10,700
2011-12	\$10,900
2012-13	\$11,300
2013-14	\$11,700
TOTALS	\$55,100

SOURCE OF FUNDING:

General Fund - 100%



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CHAPTER 7 PROPOSED CAPITAL IMPROVEMENT PROJECTS

Each project has been detailed on separate sheets within this chapter. The sheet contains a project description, components of the project cost, the funding source(s), additional operating costs, and a project schedule. Following is a list of the proposed projects along with the corresponding page numbers for additional detail:

<u>PROJECTS</u>	<u>PAGE</u>
Streets:	
Alton Parkway Improvements	56
Lake Forest Transportation Mitigation	
Improvements – Phases 1 – 3	57
Traffic Signal Synchronization Project	59
Americans with Disabilities Act Access Ramp	62
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Commercentre Drive Improvements	63
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Parks and Recreation:	
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Concourse Park Renovation	70
Etnies Skatepark of Lake Forest Renovation	71
Mountain View Park Renovation	72
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Shade Structure Program	74
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Streetscape:	
El Toro Road Streetscape Project – Phase 1	76
Jeronimo Road Streetscape Project – Phase 1	77
Rockfield Boulevard Streetscape Project –	
Phase 2 Design	78
Other:	
Orange County Animal Care Center	79

PROJECT TITLE: Alton Parkway Improvements

CATEGORY: Streets

PROJECT DESCRIPTION

This project will construct Alton Parkway between Commercentre Drive and Towne Centre Drive as an interim four-lane roadway which will be improved to six-lanes with development of Baker Ranch. The project will provide traffic impact mitigation improvements for the Opportunity Study Area (OSA) program level environmental impact report using Foothill Circulation Phasing Plan (FCPP) development impact fees. Lake Forest Transportation Mitigation (LFTM) development impact fees may be used as well for this project based upon the terms of OSA Development Agreements. The improvements are phased into one cycle of design and two phases of construction to balance anticipated revenues, work flows, and circulation needs. The phased approach will implement most critical capacity improvement first in order to reduce traffic congestion and provide the greatest public benefit.

CAPITAL COST DETAIL¹				
FISCAL YEAR	DESIGN & CM ²	CONSTRUCTION	RIGHT-OF-WAY	TOTAL
2009-10	\$1,050,000			\$1,050,000
2010-11	\$600,000	\$5,800,000		\$6,400,000
2011-12				
2012-13				
2013-14				
Total	\$1,650,000	\$5,800,000	\$0	\$7,450,000
¹ Grading, Construction, Consulting, Fees and Services (80' R/W and 4 Lanes)				
² CM = Construction Management				
SOURCE OF FUNDING				
SOURCE	ALLOCATION			
Foothill Circulation Phasing Plan ³	50%			
Measure M Master Plan of Arterial Highways Grant ³	50%			
³ Grant approval pending				

OPERATING BUDGET IMPACT

ANNUAL OPERATING COSTS: \$20,000

FISCAL YEAR COSTS BEGINS: 2011-12

PROJECT SCHEDULE

	FISCAL YEAR 2009-10				FISCAL YEAR 2010-11			
	Sum.	Fall	Wintr	Spring	Sum.	Fall	Wintr	Spring
DESIGN	X	X	X	X				
SELECT		X	X					
CONSULTANT								
BID PROCESS				X				
CONSTRUCTION ⁴					X	X	X	X
OTHER (Const. Mgmt.)				X	X	X	X	X

⁴ Construction phases continue through project completion

PROJECT TITLE: Lake Forest Transportation Mitigation (LFTM) Improvements

CATEGORY: Streets

PROJECT DESCRIPTION

Provide traffic impact mitigation improvements for the Opportunity Study Area (OSA) program level environmental impact report using LFTM development impact fees. The improvements are phased into three cycles of design and construction to balance anticipated revenues, work flows, and circulation needs. The phased approach will implement most critical intersection improvement first in order to reduce traffic congestion and provide the greatest public benefit.

The three phases of improvement are based upon the LFTM intersection improvements identified in the adopted LFTM Ordinance and are subject to reprioritization following approval of all OSA development agreements and LFTM Baseline Adjustment. The three phases of LFTM intersection improvements are:

Phase 1	Phase 2	Phase 3
Bake/Trabuco	Bake/Jeronimo	Lake Forest/I-5 Off-Ramp
Lake Forest/Rancho	Paseo Valencia/Carlota	Alton/Towne Centre
El Toro/Portola	El Toro/Carlota	Lake Forest/Rockfield
Bake/Portola	Los Alisos/Muirlands	Los Alisos/Rockfield
Los Alisos/Jeronimo		Lake Forest/Jeronimo
		Alton/Toledo
		Alton/Rockfield
		Bake/Rockfield

CAPITAL COST DETAIL				
FISCAL YEAR	DESIGN	CONSTRUCTION	OTHER	TOTAL
2009-10	\$1,121,000		\$1,170,100	\$2,291,100
2010-11	\$1,013,000	\$2,166,000	\$1,695,900	\$4,874,900
2011-12	\$1,213,000	\$1,829,000	\$2,221,400	\$5,263,400
2012-13		\$1,849,600	\$571,000	\$2,420,600
2013-14				
Total	\$3,347,000	\$5,844,600	\$5,658,400	\$14,850,000
SOURCE OF FUNDING				
SOURCE	ALLOCATION			
Lake Forest Transportation Mitigation				
Program	100%			

PROJECT TITLE: Lake Forest Transportation Mitigation (LFTM)
Improvements

(continued)

OPERATING BUDGET IMPACT

ANNUAL OPERATING COSTS: \$20,000 PER PHASE

FISCAL YEAR COSTS BEGINS: 2010-11

PHASE 1 PROJECT SCHEDULE

	FISCAL YEAR 2009-10				FISCAL YEAR 2010-11			
	Jul - Sep	Oct - Dec	Jan - Mar	Apr - Jun	Jul - Sep	Oct - Dec	Jan - Mar	Apr - Jun
SELECT	X	X	X					
CONSULTANT								
DESIGN			X	X	X			
BID PROCESS					X	X		
CONSTRUCTION*						X	X	X
OTHER (R/W)				X	X			

PHASE 2 PROJECT SCHEDULE

	FISCAL YEAR 2010-11				FISCAL YEAR 2011-12			
	Jul - Sep	Oct - Dec	Jan - Mar	Apr - Jun	Jul - Sep	Oct - Dec	Jan - Mar	Apr - Jun
SELECT	X	X	X					
CONSULTANT								
DESIGN			X	X	X			
BID PROCESS					X	X		
CONSTRUCTION*						X	X	X
OTHER (R/W)				X	X			

PHASE 3 PROJECT SCHEDULE

	FISCAL YEAR 2011-12				FISCAL YEAR 2012-13			
	Jul - Sep	Oct - Dec	Jan - Mar	Apr - Jun	Jul - Sep	Oct - Dec	Jan - Mar	Apr - Jun
SELECT	X	X	X					
CONSULTANT								
DESIGN			X	X	X			
BID PROCESS					X	X		
CONSTRUCTION*						X	X	X
OTHER (R/W)				X	X			

* Construction phases continue through project completion

PROJECT TITLE: Traffic Signal Synchronization Project

CATEGORY: Streets

PROJECT DESCRIPTION

While the vast majority of arterial roads in Lake Forest are manually synchronized, the 2009 Lake Forest Traffic Management Project Planning Report indicates approximately 38 percent of existing traffic signals have communications infrastructure to support interconnection and enhanced coordination. The purpose of the Traffic Signal Synchronization Project is to bring the balance of the traffic signals (approximately 62%) to the same status as the 38% of traffic signals referenced above. The interconnected traffic signal system along El Toro Road between Muirlands Boulevard and the I-5 freeway will serve as the model for this project.

Phase 1	Traffic Signal Controller Upgrades and Traffic Signal Synchronization	Upgrades approximately 30 existing traffic signal controllers to new controllers with enhanced communications abilities. Provides and installs all necessary equipment such as modems and cable harnesses to establish communications to adjacent intersections. Implements existing timing plans that allow multiple traffic signals to work together and ensure at least 75% of the City's traffic signals are synchronized on a stable platform.
Phase 2	Traffic Signal Synchronization, Communications Infrastructure	Install traffic signal coordination conduit and interconnect cable along Commercentre and Dimension, between Bake Parkway and Lake Forest Drive. Provides and installs all necessary equipment such as modems and cable harnesses to establish communications to adjacent intersections. Implements timing plans that allow multiple traffic signals to work together and ensure 100% of the City's traffic signals are synchronized on a stable platform.
Phase 3	Expand Communications Infrastructure	Install conduit and interconnect cable on Bake Parkway and Trabuco Road to add an additional 12 signals to the interconnect system.
Phase 4	Expand Communications Infrastructure	Install conduit and interconnect on Lake Forest Drive and Jeronimo Road to add an additional 15 signals to the interconnect system.
Phase 5	Expand Communications Infrastructure	Interconnect the remaining traffic signals to the City system.

CAPITAL COST DETAIL				
FISCAL YEAR	DESIGN	CONSTRUCTION	OTHER	TOTAL
2009-10	\$31,400	\$282,600		\$314,000
2010-11	\$387,000	\$329,000		\$716,000
2011-12	\$438,500	\$2,591,500		\$3,030,000
2012-13	\$452,250	\$3,713,500		\$4,165,750
2013-14		\$2,562,750		\$2,562,750
Total	\$1,309,150	\$9,479,350	\$0	\$10,788,500
SOURCE OF FUNDING				
SOURCE	ALLOCATION			
Measure M (M1 & M2)	80%			
AQMD Fund	13%			
Other Source	7%			

OPERATING BUDGET IMPACT

ANNUAL OPERATING COSTS:

Phase 1
Phase 2
Phase 3
Phase 4
Phase 5

n/a
\$10,000
\$90,000
\$135,000
\$100,500

FISCAL YEAR COSTS BEGINS:

Phase 1
Phase 2
Phase 3
Phase 4
Phase 5

n/a
FY 2011-12
FY 2012-13
FY 2013-14
FY 2014-15

PHASE 1 PROJECT SCHEDULE

	FISCAL YEAR 2009-10				FISCAL YEAR 2010-11			
	Jul - Sep	Oct - Dec	Jan - Mar	Apr - Jun	Jul - Sep	Oct - Dec.	Jan - Mar	Apr - Jun
SELECT CONSULTANT DESIGN	X							
BID PROCESS		X	X					
CONSTRUCTION*			X	X	X	X	X	X
OTHER (M2 Grant)	X	X	X	X	X	X	X	X

PHASE 2 PROJECT SCHEDULE

	FISCAL YEAR 2010-11				FISCAL YEAR 2011-12			
	Jul - Sep	Oct - Dec	Jan - Mar	Apr - Jun	Jul - Sep	Oct - Dec	Jan - Mar	Apr - Jun
SELECT CONSULTANT DESIGN	X							
BID PROCESS CONSTRUCTION*	X	X	X	X	X	X	X	X
OTHER (M2 Grant)	X	X	X	X				

PHASE 3 PROJECT SCHEDULE

	FISCAL YEAR 2010-11				FISCAL YEAR 2011-12			
	Jul - Sep	Oct - Dec	Jan - Mar	Apr - Jun	Jul - Sep	Oct - Dec	Jan - Mar	Apr - Jun
SELECT CONSULTANT DESIGN	X	X	X					
BID PROCESS CONSTRUCTION*			X	X	X	X		
OTHER						X	X	X

PHASE 4 PROJECT SCHEDULE

	FISCAL YEAR 2011-12				FISCAL YEAR 2012-13			
	Jul - Sep	Oct - Dec	Jan - Mar	Apr - Jun	Jul - Sep	Oct - Dec	Jan - Mar	Apr - Jun
SELECT CONSULTANT DESIGN	X	X	X					
BID PROCESS CONSTRUCTION*			X	X	X	X		
OTHER						X	X	X

PHASE 5 PROJECT SCHEDULE

	FISCAL YEAR 2012-13				FISCAL YEAR 2013-14			
	Jul - Sep	Oct - Dec	Jan - Mar	Apr - Jun	Jul - Sep	Oct - Dec	Jan - Mar	Apr - Jun
SELECT CONSULTANT DESIGN	X	X	X					
BID PROCESS CONSTRUCTION*			X	X	X	X		
OTHER						X	X	X

* CONSTRUCTION PHASES CONTINUE THROUGH PROJECT COMPLETION

PROJECT TITLE: Americans with Disabilities Act Access Ramp Improvements

CATEGORY: Streets

PROJECT DESCRIPTION

This project would reconstruct existing sidewalk ramps at 580 intersections over the next five years to comply with current standards and requirements of the Americans with Disabilities Act (ADA) and further implement the City's ADA self-assessment and transition plan.

CAPITAL COST DETAIL				
FISCAL YEAR	DESIGN	CONSTRUCTION	OTHER	TOTALS
2009-10	\$7,000	\$126,000		\$133,000
2010-11				
2011-12				
2012-13				
2013-14				
Total	\$7,000	\$126,000	\$0	\$133,000

SOURCE OF FUNDING				
SOURCE	ALLOCATION			
Community Development Block Grant	100%			

OPERATING BUDGET IMPACT

ANNUAL OPERATING COSTS: None

FISCAL YEAR COSTS BEGIN: Not Applicable

PROJECT SCHEDULE	Annual			
	Jul - Sep	Oct - Dec	Jan - Mar	Apr - Jun
SELECT CONSULTANT	X			
DESIGN		X		
BID PROCESS			X	
CONSTRUCTION				X
OTHER				

PROJECT TITLE: Commercentre Drive Improvements

CATEGORY: Streets

PROJECT DESCRIPTION

This project will reimburse the County of Orange for construction of the east half of Commercentre Drive between the Commercentre Drive intersection with Alton Parkway and its existing terminus, approximately 400' north of Arctic Circle, as a four-lane undivided roadway. Commercentre Drive is identified as a Secondary Arterial Highway of the Orange County Master Plan of Arterial Highways (MPAH) and the City's General Plan Circulation Element, and the project will improve circulation patterns and provide traffic congestion relief within this portion of the City. The project is part of a City/County agreement and the County will pay for design, construction inspection, and contract administration. Ultimate right-of-way and temporary construction easements are provided by the landowner at no cost. The City of Lake Forest will be reimbursed for these costs by adjacent development as a condition of entitlement or development agreement.

CAPITAL COST DETAIL				
FISCAL YEAR	DESIGN	CONSTRUCTION*	OTHER	TOTAL
2009-10		\$385,000		\$385,000
2010-11				
2011-12				
2012-13				
2013-14				
Total	\$0	\$385,000	\$0	\$385,000
*Subject to Baker Ranch development or Shea Baker Ranch Associates (SBRA) Development Agreement				
SOURCE OF FUNDING				
SOURCE	ALLOCATION			
Capital Improvement Projects Fund	100%			

OPERATING BUDGET IMPACT

ANNUAL OPERATING COSTS: \$2,000

FISCAL YEAR COSTS BEGINS: 2010-11

PROJECT SCHEDULE

	FISCAL YEAR 2009-10				FISCAL YEAR 2010-11			
	Jul - Sep	Oct - Dec	Jan - Mar	Apr - Jun	Jul - Sep	Oct - Dec	Jan - Mar	Apr - Jun
SELECT CONSULTANT								
DESIGN								
BID PROCESS								
CONSTRUCTION*	X	X	X	X	X	X		
RIGHT-OF-WAY								

* Construction phases continue through project completion

PROJECT TITLE: Rancho Parkway Improvements

CATEGORY: Streets

PROJECT DESCRIPTION

This project will construct Rancho Parkway between Portola Parkway and its existing terminus, approximately 200' south of Hermana Circle, as a four-lane divided roadway. Rancho Parkway is identified as a Primary Arterial Highway of the Orange County Master Plan of Arterial Highways (MPAH) and the City's General Plan Circulation Element, and the project will improve circulation patterns and provide traffic congestion relief within this portion of the City. Measure M funds, managed by the Orange County Transportation Authority, may be used for this MPAH project. The project improvements are phased into design, right-of-way acquisitions, and construction. Project timing may adjust to coincide with anticipated Measure M revenues and circulation needs.

CAPITAL COST DETAIL				
FISCAL YEAR	DESIGN	CONSTRUCTION	OTHER	TOTAL
2009-10	\$267,000		\$50,000	\$317,000
2010-11		\$2,056,000		\$2,056,000
2011-12				
2012-13				
2013-14				
Total	\$267,000	\$2,056,000	\$50,000	\$2,373,000
SOURCE OF FUNDING				
SOURCE		ALLOCATION		
Foothill Circulation Phasing Plan*		100%		
* Currently funded by Capital Improvement Projects Fund				

OPERATING BUDGET IMPACT

ANNUAL OPERATING COSTS: \$20,000

FISCAL YEAR COSTS BEGINS: 2011-12

PROJECT SCHEDULE

	FISCAL YEAR 2009-10				FISCAL YEAR 2010-11			
	Jul - Sep	Oct - Dec	Jan - Mar	Apr - Jun	Jul - Sep	Oct - Dec	Jan - Mar	Apr - Jun
SELECT CONSULTANT	X	X						
DESIGN		X	X	X				
BID PROCESS				X	X			
CONSTRUCTION*					X	X	X	X

* Construction phases continue through project completion

PROJECT TITLE: Sidewalk Repairs

CATEGORY: Streets

PROJECT DESCRIPTION

Provide new sidewalks in areas of City where demand warrants.

CAPITAL COST DETAIL				
FISCAL YEAR	DESIGN	CONSTRUCTION	OTHER	TOTALS
2009-10		\$ 40,000		\$ 40,000
2010-11		\$ 40,000		\$ 40,000
2011-12		\$ 40,000		\$ 40,000
2012-13		\$ 40,000		\$ 40,000
2013-14		\$ 40,000		\$ 40,000
Total	\$0	\$ 200,000	\$0	\$ 200,000
SOURCE OF FUNDING				
SOURCE	ALLOCATION			
Capital Improvement Projects Fund	100%			

OPERATING BUDGET IMPACT

ANNUAL OPERATING COSTS: None

FISCAL YEAR COSTS BEGIN: Not Applicable

PROJECT SCHEDULE

	Annual			
	Jul - Sep	Oct - Dec	Jan - Mar	Apr - Jun
SELECT CONSULTANT	X			
DESIGN		X		
BID PROCESS			X	
CONSTRUCTION				X
OTHER				

PROJECT TITLE: Street Resurfacing and Slurry Seal

CATEGORY: Streets

PROJECT DESCRIPTION

Provide asphalt overlays and slurry seals as determined during the design phase for street pavement in accordance with a Pavement Management System that is designed to avoid expensive deferred maintenance. Conformance with the Pavement System makes the City eligible for Orange County Transit Authority Measure M funding by demonstrating a reasonable level of maintenance for City streets. The Street Resurfacing and Slurry Seal schedule is based upon a project cycle of design occurring in the first year and construction in the following year. Because the cycle is continuous, both design and construction occur in each fiscal year but these are for separate projects.

CAPITAL COST DETAIL				
FISCAL YEAR	DESIGN	CONSTRUCTION	OTHER	TOTALS
2009-10	\$ 180,000	\$ 2,533,000		\$ 2,713,000
2010-11	\$ 62,000	\$ 838,000		\$ 900,000
2011-12	\$ 63,000	\$ 857,000		\$ 920,000
2012-13	\$ 77,000	\$ 1,053,000		\$ 1,130,000
2013-14	\$ 80,000	\$ 1,090,000		\$ 1,170,000
Total	\$ 462,000	\$ 6,371,000	\$0	\$ 6,833,000
SOURCE OF FUNDING				
SOURCE		ALLOCATION		
General Fund		3%		
Measure M Fund		86%		
American Recovery and Reinvestment Act Grant		11%		

OPERATING BUDGET IMPACT

ANNUAL OPERATING COSTS: None

FISCAL YEAR COSTS BEGIN: Not Applicable

PROJECT SCHEDULE	1st Cycle				2nd Cycle			
	Jul - Sep	Oct - Dec	Jan - Mar	Apr - Jun	Jul - Sep	Oct - Dec	Jan - Mar	Apr - Jun
SELECT								
CONSULTANT	X	X	X					
DESIGN			X	X				
BID PROCESS				X	X			
CONSTRUCTION					X	X	X	
OTHER								

PROJECT TITLE: Sports Park

CATEGORY: Parks and Recreation

PROJECT DESCRIPTION

The approximate 38 acre Sports Park may include lighted ball fields/soccer fields, basketball and volleyball courts, parking lots, restrooms, concession stand, group picnic area and playgrounds. When potentially combined with adjacent direct Opportunity Study Area property and improvements, the total area will likely exceed 45 acres.

Refer to Chapter 9 – Opportunity Study Area Public Facilities Business Plan for additional details.



PROJECT TITLE: Recreation Center

CATEGORY: Parks and Recreation

PROJECT DESCRIPTION

The City of Lake Forest has a stated need for a Recreation Center as identified by community surveys and input, staff input, and a Needs Assessment Study for a Recreation Center and Sports Park prepared in 2004. The proposed Recreation Center could feature an indoor gymnasium for basketball and volleyball courts, physical activity room, a main assembly area, senior facilities, meeting/class/technology/activities rooms, and kitchen facilities.

Refer to Chapter 9 – Opportunity Study Area Public Facilities Business Plan for additional details.

PROJECT TITLE: Civic Center

CATEGORY: Parks and Recreation

PROJECT DESCRIPTION

The City of Lake Forest has a stated need for a Civic Center as identified by community surveys and input and staff input.

Refer to Chapter 9 – Opportunity Study Area Public Facilities Business Plan for additional details.



PROJECT TITLE: Concourse Park Renovation

CATEGORY: Parks and Recreation

PROJECT DESCRIPTION

This project could include improvements to Concourse Park such as construction of a shade structure, a restroom building, a splash pad, and replacement of play equipment.

CAPITAL COST DETAIL				
This project has been budgeted for in prior years in a general \$8M Parks and Recreation allocation				
FISCAL YEAR	DESIGN	CONSTRUCTION	OTHER	TOTALS
2009-10	\$51,700			\$51,700
2010-11		\$770,500		\$770,500
2011-12				
2012-13				
2013-14				
Total	\$51,700	\$770,500	\$0	\$822,200
SOURCE OF FUNDING				
SOURCE	ALLOCATION			
Capital Improvement Projects Fund	100%			

OPERATING BUDGET IMPACT

ANNUAL OPERATING COSTS: None

FISCAL YEAR COSTS BEGIN: Not Applicable

PROJECT SCHEDULE	Fiscal Year 2009-10				Fiscal Year 2010-11			
	Jul - Sep	Oct - Dec	Jan - Mar	Apr - Jun	Jul - Sep	Oct - Dec	Jan - Mar	Apr - Jun
SELECT	X	X						
CONSULTANT								
DESIGN			X	X				
BID PROCESS					X	X		
CONSTRUCTION						X	X	X
OTHER								



PROJECT TITLE: Etnies Skatepark of Lake Forest Renovation

CATEGORY: Parks and Recreation

PROJECT DESCRIPTION

This project could include renovations to the Skatepark such as construction of a cradle, vertical wall or beginners skate area.

CAPITAL COST DETAIL				
This project has been budgeted for in prior years in a general \$8M Parks and Recreation allocation				
FISCAL YEAR	DESIGN	CONSTRUCTION	OTHER	TOTALS
2009-10	\$10,000	\$587,500		\$597,500
2010-11				
2011-12				
2012-13				
2013-14				
Total	\$10,000	\$587,500	\$0	\$597,500
SOURCE OF FUNDING				
SOURCE	ALLOCATION			
Capital Improvement Projects Fund	100%			

OPERATING BUDGET IMPACT

ANNUAL OPERATING COSTS: None

FISCAL YEAR COSTS BEGIN: Not Applicable

PROJECT SCHEDULE

Fiscal Year 2010-11

	Jul - Sep	Oct - Dec	Jan - Mar	Apr - Jun
SELECT CONSULTANT				
DESIGN				
BID PROCESS	X	X		
CONSTRUCTION		X	X	
OTHER				



PROJECT TITLE: Mountain View Park Renovation

CATEGORY: Parks and Recreation

PROJECT DESCRIPTION

This project could include renovations to Mountain View Park such as the addition of shade structures, splash pad and restroom facility.

CAPITAL COST DETAIL				
This project has been budgeted for in prior years in a general \$8M Parks and Recreation allocation				
FISCAL YEAR	DESIGN	CONSTRUCTION	OTHER	TOTALS
2009-10	\$40,200			\$40,200
2010-11		\$592,300		\$592,300
2011-12				
2012-13				
2013-14				
Total	\$40,200	\$592,300	\$0	\$632,500
SOURCE OF FUNDING				
SOURCE	ALLOCATION			
Capital Improvement Projects Fund	100%			

OPERATING BUDGET IMPACT

ANNUAL OPERATING COSTS: None

FISCAL YEAR COSTS BEGIN: Not Applicable

PROJECT SCHEDULE	Fiscal Year 2009-10				Fiscal Year 2010-11			
	Jul - Sep	Oct - Dec	Jan - Mar	Apr - Jun	Jul - Sep	Oct - Dec	Jan - Mar	Apr - Jun
SELECT	X	X						
CONSULTANT								
DESIGN			X	X				
BID PROCESS					X	X		
CONSTRUCTION						X	X	X
OTHER								

PROJECT TITLE: Rimgate Park Renovation

CATEGORY: Parks and Recreation

PROJECT DESCRIPTION

This project could include improvements to Rimgate Park such as re-grading sports fields, constructing a restroom, adding shade structures and replacing play equipment.

CAPITAL COST DETAIL				
This project has been budgeted for in prior years in a general \$8M Parks and Recreation allocation				
FISCAL YEAR	DESIGN	CONSTRUCTION	OTHER	TOTALS
2009-10				
2010-11	\$35,000			\$35,000
2011-12	\$20,000	\$640,800		\$660,800
2012-13				\$0
2013-14				\$0
Total	\$55,000	\$640,800	\$0	\$695,800
SOURCE OF FUNDING				
SOURCE	ALLOCATION			
Capital Improvement Projects Fund	100%			

OPERATING BUDGET IMPACT

ANNUAL OPERATING COSTS: None

FISCAL YEAR COSTS BEGIN: Not Applicable

PROJECT SCHEDULE	Fiscal Year 2010-11				Fiscal Year 2011-12			
	Jul - Sep	Oct - Dec	Jan - Mar	Apr - Jun	Jul - Sep	Oct - Dec	Jan - Mar	Apr - Jun
SELECT CONSULTANT	X	X						
DESIGN			X	X				
BID PROCESS					X	X		
CONSTRUCTION						X	X	X
RIGHT-OF-WAY								



PROJECT TITLE: Shade Structure Program

CATEGORY: Parks and Recreation

PROJECT DESCRIPTION

This project would include adding shade structures to various parks.

CAPITAL COST DETAIL				
This project has been budgeted for in prior years in a general \$8M Parks and Recreation allocation				
FISCAL YEAR	DESIGN	CONSTRUCTION	OTHER	TOTAL
2009-10	\$8,600			\$8,600
2010-11		\$117,900		\$117,900
2011-12				
2012-13				
2013-14				
Total	\$8,600	\$117,900	\$0	\$126,500
SOURCE OF FUNDING				
SOURCE	ALLOCATION			
Capital Improvement Projects Fund	100%			

OPERATING BUDGET IMPACT

ANNUAL OPERATING COSTS: None

FISCAL YEAR COSTS BEGINS: Not Applicable

PROJECT SCHEDULE	Fiscal Year 2009-10				Fiscal Year 2010-11			
	Jul - Sep	Oct - Dec	Jan - Mar	Apr - Jun	Jul - Sep	Oct - Dec	Jan - Mar	Apr - Jun
SELECT CONSULTANT	X	X						
DESIGN		X	X					
BID PROCESS			X	X	X			
CONSTRUCTION				X	X			
OTHER								

PROJECT TITLE: Tamarisk Park Renovation

CATEGORY: Parks and Recreation

PROJECT DESCRIPTION

This project could include improvements to Tamarisk Park such as turf and irrigation renovation, installation of a new backstop and dugouts, the construction of parking spaces, a snack bar/restroom building and shade structures.

CAPITAL COST DETAIL				
This project has been budgeted for in prior years in a general \$8M Parks and Recreation allocation				
FISCAL YEAR	DESIGN	CONSTRUCTION	OTHER	TOTAL
2009-10				
2010-11	\$86,200			\$86,200
2011-12		\$1,811,300		\$1,811,300
2012-13				
2013-14				
Total	\$86,200	\$1,811,300	\$0	\$1,897,500
SOURCE OF FUNDING				
SOURCE	ALLOCATION			
Capital Improvement Projects Fund	100%			

OPERATING BUDGET IMPACT

ANNUAL OPERATING COSTS: None

FISCAL YEAR COSTS BEGINS: Not Applicable

PROJECT SCHEDULE	Fiscal Year 2010-11				Fiscal Year 2011-12			
	Jul - Sep	Oct - Dec	Jan - Mar	Apr - Jun	Jul - Sep	Oct - Dec	Jan - Mar	Apr - Jun
SELECT CONSULTANT	X	X						
DESIGN			X	X				
BID PROCESS				X	X			
CONSTRUCTION					X	X	X	
OTHER								

PROJECT TITLE: El Toro Road Streetscape Project - Phase 1

CATEGORY: Streetscape

PROJECT DESCRIPTION

This project would investigate and implement traffic safety and traffic congestion relief opportunities, and construct raised landscaped median islands and parkway landscaping along El Toro Road between Muirlands and Jeronimo, and include a bus shelter structure on the south side of El Toro Road near Freedom Village.

CAPITAL COST DETAIL				
FISCAL YEAR	DESIGN	CONSTRUCTION	OTHER	TOTALS
2009-10		\$1,277,000		\$1,277,000
2010-11				
2011-12				
2012-13				
2013-14				
Total	\$0	\$1,277,000	\$0	\$1,277,000
SOURCE OF FUNDING				
SOURCE	ALLOCATION			
Capital Improvement Projects Fund	100%			

OPERATING BUDGET IMPACT

ANNUAL OPERATING COSTS: \$5,000

FISCAL YEAR COSTS BEGIN: 2010-11

PROJECT SCHEDULE	Fiscal Year 2009-10				Fiscal Year 2010-11			
	Jul - Sep	Oct - Dec	Jan - Mar	Apr - Jun	Jul - Sep	Oct - Dec	Jan - Mar	Apr - Jun
SELECT								
CONSULTANT								
DESIGN								
BID PROCESS	X	X						
CONSTRUCTION			X	X	X			
OTHER								

PROJECT TITLE: Jeronimo Road Streetscape Project – Phase 1

CATEGORY: Streetscape

PROJECT DESCRIPTION

This project would investigate and implement traffic safety and traffic congestion relief opportunities, and construct parkway landscaping and raised landscaped median islands along Jeronimo Road between Los Alisos Boulevard and Miles Avenue.

CAPITAL COST DETAIL				
FISCAL YEAR	DESIGN	CONSTRUCTION	OTHER	TOTALS
2009-10		\$900,000		\$900,000
2010-11				
2011-12				
2012-13				
2013-14				
Total	\$0	\$900,000	\$0	\$900,000
SOURCE OF FUNDING				
SOURCE	ALLOCATION			
Redevelopment Agency Operating Fund	100%			

OPERATING BUDGET IMPACT

ANNUAL OPERATING COSTS: \$5,000

FISCAL YEAR COSTS BEGIN: 2010-11

PROJECT SCHEDULE	Fiscal Year 2009-10				Fiscal Year 2010-2011			
	Jul - Sep	Oct - Dec	Jan - Mar	Apr - Jun	Jul - Sep	Oct - Dec	Jan - Mar	Apr - Jun
SELECT								
CONSULTANT								
DESIGN								
BID PROCESS	X	X						
CONSTRUCTION		X	X	X				
OTHER								

PROJECT TITLE: Rockfield Boulevard Streetscape Project – Phase 2 Design

CATEGORY: Streetscape

PROJECT DESCRIPTION

This project would investigate and implement traffic safety and traffic congestion relief opportunities, and construct raised landscaped median islands and parkway landscaping along Rockfield Boulevard between El Toro Road and Ridge Route Drive.

CAPITAL COST DETAIL				
FISCAL YEAR	DESIGN	CONSTRUCTION	OTHER	TOTALS
2009-10	\$135,000			\$135,000
2010-11				
2011-12				
2012-13				
2013-14				
Total	\$135,000	\$0	\$0	\$135,000
SOURCE OF FUNDING				
SOURCE	ALLOCATION			
Capital Improvement Projects Fund	100%			

OPERATING BUDGET IMPACT

ANNUAL OPERATING COSTS: None

FISCAL YEAR COSTS BEGIN: Not Applicable

PROJECT SCHEDULE	Fiscal Year 2009-10				Fiscal Year 2011-12			
	Jul - Sep	Oct - Dec	Jan - Mar	Apr - Jun	Jul - Sep	Oct - Dec	Jan - Mar	Apr - Jun
SELECT	X	X						
CONSULTANT								
DESIGN		X	X	X	X			
BID PROCESS					X			
CONSTRUCTION					X	X	X	
OTHER								

PROJECT TITLE: Orange County Animal Care Center

CATEGORY: Other

PROJECT DESCRIPTION

Lake Forest is participating in discussions with other Orange County Animal Care contract cities regarding the County's plans for a new animal shelter to replace the facility in Orange. The County has developed plans for a new, state of the art, \$23 million animal shelter, designed to be located on a five acre property at the former Marine Corps Air Station Tustin.

CAPITAL COST DETAIL				
FISCAL YEAR	DESIGN*	CONSTRUCTION**	OTHER	TOTAL
2009-10				
2010-11				
2011-12				
2012-13	\$92,000	\$368,000		\$460,000
2013-14				
Total	\$92,000	\$368,000	\$0	\$460,000
*Projected design costs based upon Lake Forest 2% share of animal shelter costs				
**Construction costs based upon Lake Forest 2% share of animal shelter costs				
SOURCE OF FUNDING				
SOURCE	ALLOCATION			
Capital Improvement Projects Fund	100%			

OPERATING BUDGET IMPACT

ANNUAL OPERATING COSTS: To be determined; based upon usage
FISCAL YEAR COSTS BEGINS: 2012-13

PROJECT SCHEDULE **Fiscal Year 2012-13**

To be determined in conjunction with the County

	Jul -	Oct -	Jan -	Apr -
	Sep	Dec	Mar	Jun

SELECT CONSULTANT
 DESIGN
 BID PROCESS
 CONSTRUCTION
 ACQUISITION

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CHAPTER 8 MAJOR CARRYOVER APPROPRIATIONS

The City initiated the use of carryover appropriations in Fiscal Year 2004-05 to provide more accurate tracking of individual capital improvement project budgets and multi-year operating programs. Carryover appropriations bring unspent balances forward into the new fiscal year, thus retaining the integrity of the originally budgeted amounts for items spanning more than one year, much like a checkbook balance. None of these carryover projects and programs is included in the 5-Year Strategic Business Plan except for Parks and Recreation Master Plan projects, since funds were committed in previous fiscal years. Attached is a listing of carryover appropriations greater than \$100,000 from Fiscal Year 2007-08 along with a listing of anticipated carryover capital projects budgeted in Fiscal Year 2008-09.

CARRYOVER APPROPRIATIONS OVER \$100,000 FISCAL YEAR 2007-08 INTO FISCAL YEAR 2008-09

Description ¹	Fund	Carryover Appropriation
Park Improvements	Capital Improvement Projects	\$3,827,800
Trabuco Road Streetscape Phase 1	Capital Improvement Projects	2,182,639
Normandale Park	Capital Improvement Projects	1,656,054
Street Repaving and Slurry Seal	Gas Tax	1,551,035
Rockfield Streetscape Phase 1	Capital Improvement Projects	1,106,622
Regency Park	Capital Improvement Projects	455,560
Street Repaving and Slurry Seal	General	452,949
Americans with Disabilities Act Access Ramps	Capital Improvement Projects	431,000
New Street Lights - Various Locations	Capital Improvement Projects	419,162
Traffic Signal Preemption	Capital Improvement Projects	390,000
Universally Accessible Playground (Pittsford Park) ²	Community Development Block Grant	348,607
Traffic Management Study Project		
Planning Report ²	Capital Improvement Projects	250,000
Street Repaving and Slurry Seal	Measure M	244,090
Americans with Disabilities Act Access Ramps ²	Community Development Block Grant	236,437
Signal at Vintage Woods and Lake Forest ²	Capital Improvement Projects	198,684
Light Industrial Area Zoning Overlay ³	General	155,000
Opportunities Study	General	141,795
El Toro Road/Swartz Landscaped Median	Capital Improvement Projects	141,174
Website Content Management/Intranet	General	132,000
Regency/Normandale Environmental Review	General	120,000
El Toro Corridor - Right of Way ²	Capital Improvement Projects	(171,967) ⁴
Total Carryover Appropriations Over \$100,000		95% <u><u>\$14,268,641</u></u>
Total Carryover Appropriations		100% <u><u>\$15,093,676</u></u>

¹ Some projects on this list may be delayed beyond the next five years, thus carryovers for these projects will not be recommended.

² Project to be completed in Fiscal Year 2008-09

³ During FY 2007-08, \$155,000 was budgeted in the Development Services operating budget to assist in the revitalization of the Light Industrial Area. During FY 2008-09, Council directed staff to cease any further studies related to transit and residential overlay issues. Given the Council's direction, only a portion of the funds will be carried over into FY 2009-10.

⁴ This balance was offset against budget adjustments to the El Toro Road Traffic and Landscape Improvement Project in the 2008-09 Mid-Year Budget Review.

ANTICIPATED CARRYOVER CAPITAL PROJECTS BUDGETED IN FISCAL YEAR 2008-09

Description	Fund
Americans with Disabilities Act Access Ramps	Capital Improvement Projects
El Toro Park Fitness Center	Community Development Block Grant
El Toro Road Streetscape - Phase 1	Capital Improvement Projects
Etnies Skatepark Renovation	Capital Improvement Projects
Heroes Park Snack Bar and Restroom	Capital Improvement Projects
Jeronimo Streetscape - Phase 1	Capital Improvement Projects
Light Industrial Area Street Improvements	Redevelopment Agency Operating Fund
Park Improvements (Parks and Recreation 5-Year Plan)	Capital Improvement Projects
Rue de Fortuna Traffic Signal at Bake Parkway	Capital Improvement Projects
Sidewalk Repairs	Capital Improvement Projects
Street Repaving and Slurry Seal	General/Measure M
Universally Accessible Playground (El Toro Park)	Community Development Block Grant
Watershed Management Projects	Capital Improvement Projects

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CHAPTER 9 OPPORTUNITY STUDY AREA PUBLIC FACILITIES BUSINESS PLAN

In July 2008, the City Council approved Development Agreements (DA's) with four landowners in an area of the City known as the Opportunity Study Area (OSA). As of this date, a fifth agreement is still in negotiation. A portion of the public benefits provided by the DA's in exchange for a vested change of land use to residential development includes a financial contribution towards a community sports park, community center, civic center and the requisite improved land for these facilities. Each landowner will pay their pro-rata share of the public benefit packages with a public facilities fee (PFF) attributed to each residential unit approved with the tentative tract map, to be paid at the issuance of each building permit. The DA's also contemplate, and will likely result in, future community facility district (CFD) bond financing that would accelerate the funding of the PFF prior to the issuance of building permits.

The total projected PFF funds from the five OSA projects is projected to be approximately \$98 million including \$44 million for land purchases/dedications and \$54 million for public facility improvements. The DA's provide for a limited amount of advanced PFF funds to be paid by the landowners regardless of the timing of their respective projects to fund planning and design of the sports park and community center. The total advanced funding with all five landowners is approximately \$2.85 million; the four signed DA's account for approximately \$1.3 million. The first advanced funds have already been collected for a public facilities master plan and environmental clearance for the intended public facilities property.

The current state of the economy, and specifically the residential market, does not support imminent development activity for the OSA projects. In fact, input from several economic forecasts and local residential market experts suggests that the earliest the City should expect to see significant development activity in the OSA is in 2012. The forecast of PFF funds collected through CFD's is anticipated in Fiscal Years 2011-12 through 2013-14. These forecasts are highly speculative, dependent on a number of under-defined variables, and will have to be continually refined.

Given the uncertain timing of the PFF funding from the OSA landowners, the City is concurrently pursuing an independent path to securing a significant amount of public facilities land contiguous to those properties ultimately being targeted by the OSA landowners for assemblage in their public facilities benefit package in an open space land exchange with the County of Orange. The land exchange agreement approved by both the County and the City in April 2009 provides the City with 57 acres of land south of Portola Parkway and west of El Toro Road of which 19 acres will be protected as permanent natural open space and up to 38 acres can be used for active public park purposes (although only 34+/- acres is considered the maximum development area). The exchange property is known as the Glass Creek property and is contingent upon the City assembling the required exchange properties. The improvement of a 34-acre sports park on the Glass Creek property with the requisite grading and infrastructure would require an investment by the City of up to approximately \$38 million depending on the actual area used for recreation activities and other variables. As the schedule and receipt of PFF is considered to be highly speculative at this time, the City's 5-Year Business Plan only includes detail on the potential construction of a portion of the sports park on the Glass Creek property since it can be fully controlled and funded by the City.

Future OSA public facilities phases are characterized in terms of design and construction periods of time rather than specific dates and overall budget estimates to avoid an unwarranted anticipation of imminent facility completion dates. If the City chooses to consider accelerating any of the future phases of OSA public facilities, the general time frames and budgets will help frame those decisions.

The OSA public facilities projects are defined in packages aligned with the Development Agreement commitments by individual landowners to assemble the land. These packages could also be phases, two of which are contiguous to the Glass Creek property, but the timing and sequence is still uncertain other than the first package. The first package is the Glass Creek property that could be fully funded and controlled by the City separate from the OSA participants. The second package is an 11-acre property identified in the Portola Center DA as the Rados Property. The second package could be the site of a recreation center and additional

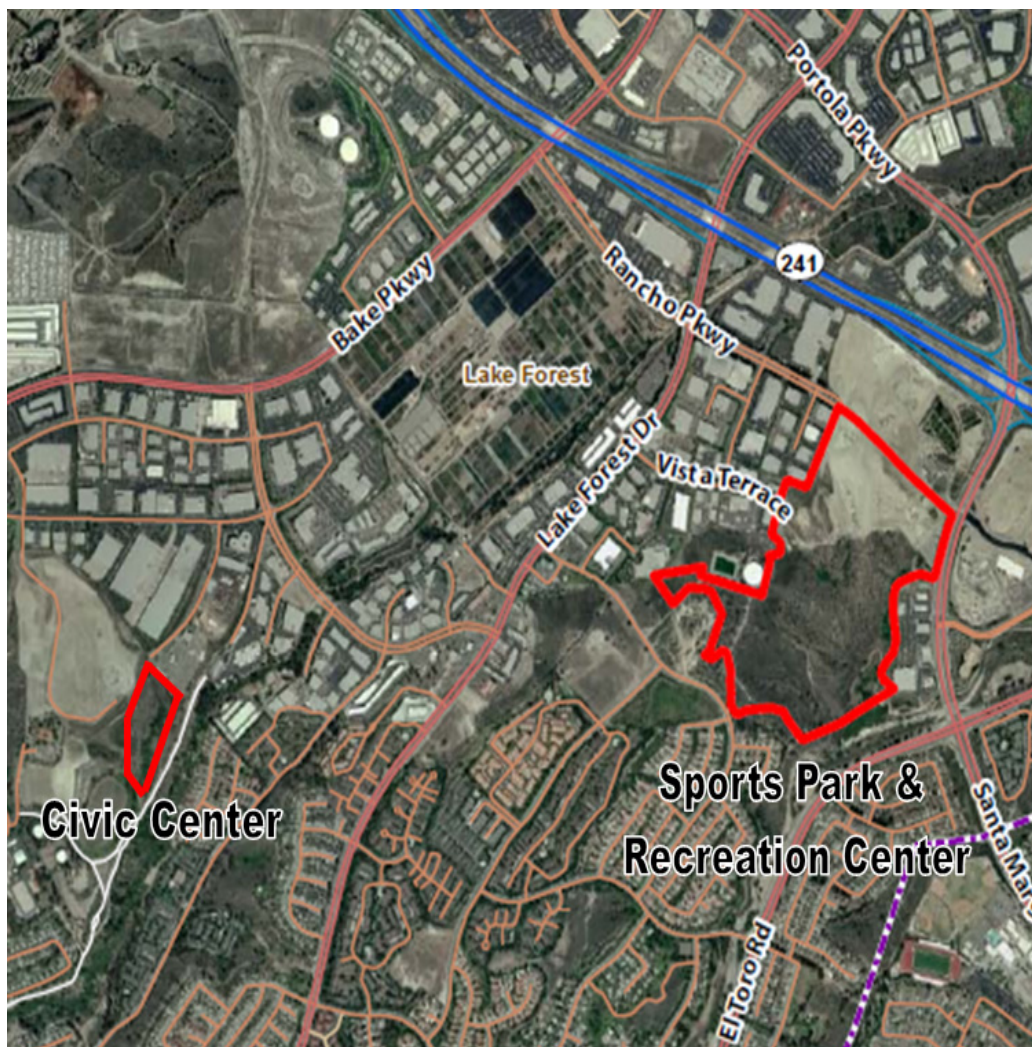
sports park improvements contiguous to the Glass Creek property. The third is 9-acres on a portion of the Irvine Ranch Water District (IRWD) property located at the extension of Indian Ocean Road intended for the future use as a civic center. These packages are groupings of facility improvements with the required land assemblage that cannot be easily separated, but the improvements will be further defined as a master plan is vetted through the community and completed in summer 2009.

The OSA and City proposed public facilities packages are described as follows:

Pkg. #1:	Glass Creek property: up to a 34-acre Sports Park	
	Land, design, grading, and infrastructure	\$17M
	Sports Park Improvements (up to 34ac.)	<u>\$21M</u>
	Total City Funded Improvements	\$38M
Pkg. #2:	Rados (or alt.): 4ac. recreation center+7ac. sports park+land	
	Land, design, grading and infrastructure	\$16M
	Recreation Center Improvements	\$14M
	Sports Park Improvements	<u>\$4M</u>
	Total OSA PFF Funded Improvements	\$34M
Pkg. #3:	Baker (or alt.): 18ac. sports park + land	
	Land, design, grading, and infrastructure	\$26M
	Sports Park Improvements	<u>\$13M</u>
	Total City Funded Improvements	\$39M

Pkg. #4:	IRWD: 9ac. civic center	
	OSA PFF Funded Improvements	\$25.5M
	City Hall Lease Obligation Financing	<u>\$8.5M</u>
	Total Civic Center	\$34M

OSA PUBLIC FACILITIES LOCATION EXHIBIT



OSA GLASS CREEK PROPERTY EXHIBIT



If the City chooses to invest up to \$38 million in the sports park improvements at the Glass Creek property, it could serve as the first phase of improvements contiguous with future phases of the OSA related public facilities described in Packages 2 and 3. The sports park and recreation center public facilities packages contiguous to and including the Glass Creek property could amass to approximately 63 acres.

In addition, Package #4 identified as the Civic Center would

require a City contribution of approximately \$8.5 million in lease obligation financing based on the existing facilities lease obligations for City Hall.

It should be noted that both the Portola DA and the under-negotiation Shea Baker Ranch Associates (SBRA) DA include the potential of alternative public facilities sites that could be accepted by the City. It should also be noted that if the DA negotiations between the City and SBRA are not successfully concluded, Package #3 and the associated PFF funding would be modified.

Glass Creek Property Sports Park

Consideration of constructing sports park improvements on the Glass Creek property will require several steps of technical analysis by the staff and professional consultants followed by several reviews by the City Council. The first step is a Public Facilities Master Plan that will include the Glass Creek, Rados and Baker properties. Phasing analysis will be included in the Master Plan as well as alternative improvement plans for the Glass Creek property. The following steps are detailed for the Master Plan and California Environmental Quality Act (CEQA):

Master Plan Milestones

Community Workshop #2	Spring 2009
Parks and Recreation Commission Review	Summer 2009
City Council Review	Summer 2009

CEQA Milestones and Permits

Environmental Impact Report (EIR)	
Scoping Session	Spring 2009
Alternative #8 Preliminary Environmental Impact Report (PEIR) City Council Review	Summer 2009
Lake Forest Transportation Mitigation (LFTM) Update and Fee Program Nexus City Council Review	Summer 2009
EIR 45-day Circulation	Fall 2009
Public Hearing Review	Fall 2009 – Winter 2010
Resource Agency Permits	Spring 2010

<u>Technical Analysis, Engineering and Design</u>	Summer 2009
Geotechnical Analysis and Boundary Survey	Summer 2009 –
Construction Manager	end of project
Civil Engineer for Grading and Drainage	Summer 2009 –
	end of project
Design Team	Fall 2009 – end
	of project

Besides the benefits of progressing with the initiation of design and engineering to expedite sports park improvements for public use, it is considered to be a benefit to have these professionals available as a resource during the CEQA document final review and preparation of resource agency permits. For this reason there is a small amount of schedule overlap between the hiring of the design and engineering teams prior to the CEQA document being considered for certification by the City Council.

There is also a small amount of schedule overlap proposed for the retaining of a construction manager in order to provide an experienced industry resource prior to the hiring of a civil engineer and design team. A more detailed explanation of alternative project delivery methods, design team organization and recommended pre-construction management will be included in future staff reports for a potential construction manager request for proposal (RFP).

Projected Milestones for the Glass Creek sports park design and construction, if the City Council chooses to proceed, are as follows:

Glass Creek Implementation Milestones

Civil Engineering for Grading and Drainage	Summer 2009 –
	Fall 2009
Sports Park Design Development 65% Drawings	Fall 2009 –
	Winter 2010
Sports Park Final Plans	Spring 2010
Groundbreaking	Spring 2010
First Facility Openings	Fall 2010
Sports Park Completion	Spring 2011

Remaining OSA Public Facilities Schedule

As stated previously, the current unpredictable nature of an economic recovery makes schedule and funding projections of the remaining OSA Public Facilities highly speculative. A speculative projection of schedule and funding will be included in an OSA Public Facilities Business Plan for planning purposes and tracking DA contractual milestones but will not be included in the City's 5-Year Strategic Plan as it might cause unrealistic public expectations for further public facilities funding beyond the City's control.

If the City chooses to accelerate any of the OSA Public Facility improvements ahead of the PFF and CFD funding, additional capital investment would be required from the City in the increments described in Packages #2-4. In the event that the City chooses to accelerate any of the improvements in Packages #2-4, the following schedule time lines should be considered:

Pkg. #2: Rados (or alt.): 4ac. recreation center+7ac. sports park+land

Design and Bid Schedule	6 months
Construction Schedule	12 months

Pkg. #3: Baker (or alt.): 18ac. sports park + land

Design and Bid Schedule	6 months
Construction Schedule	10 months

Pkg. #4: IRWD: 9ac. civic center

Design and Bid Schedule	13 months
Construction Schedule	12 months

CHAPTER 10 DEFERRED PROGRAMS AND PROJECTS

When developing a strategic plan during times of economic uncertainty, it is crucial to scrutinize all programs and projects. The City must remain flexible when reviewing existing and future needs and must prioritize programs and projects to provide the best service possible to the community within existing budgetary constraints. To that end, the following is a list of operating programs and projects that have been deferred until funds become available. These programs and projects amount to approximately \$46.7 million.

Programs

Name	Description	Total	Funding Source
Accounting System	Acquisition of a new accounting system that will utilize current technology to provide greater efficiency in the Finance Department. Will allow staff to query financial data more effectively and provide more detailed reporting for auditing and financial analysis. In addition, a capital projects module will be purchased to track long-term projects.	\$405,000	General Fund – 100%
Comprehensive Zoning Ordinance Update	Update development standards in the zoning ordinance to implement the policies of the comprehensive General Plan update.	\$110,000	General Fund – 100%
Neighborhood Stabilization Initiative	Conduct background research and demographic studies and evaluate trends in code enforcement infractions to understand the dynamics in older neighborhoods of the City. Research and evaluate similar efforts in nearby cities. Recommend policies and programs to protect the character and integrity of the area. May lead to regulatory changes that address emerging problems caused by an older housing stock and overcrowding. The initiative will allow for changes in resident needs while maintaining those qualities that make a neighborhood a desirable place to live.	\$100,000	General Fund – 100%
Network Security Audit	To ensure the privacy and protection of the City's technology, it is prudent to conduct an annual penetration test into the City's network by a third party consultant. The assessment will determine the current network security status of the City-operated information systems and networks. This assessment will include both a traditional external penetration test as well as a full scale internal and wireless network vulnerability assessment and penetration test.	\$34,000	General Fund – 100%

PROJECTS

Name	Description	Total	Funding Source
Americans with Disabilities Act Access Ramp Improvements	Reconstruct existing sidewalk ramps at intersections over the next five years to comply with current standards and requirements of the Americans with Disabilities Act (ADA) and further implement the City's ADA self assessment and transition plan.	\$2,017,000	CIP Fund – 100%
Borrego Park Renovation	This project could include improvements to Borrego Park such as turf and irrigation renovation, construction of additional parking, shade structures, and sports lighting.	\$450,000	CIP Fund – 100%
Citywide Traffic Signal Detection Planning Report	Investigate the City's traffic signals and modify, as needed, to ensure efficient bicycle traffic mobility.	\$10,000	CIP Fund – 100%
Commercentre Signal Interconnection	Construct ultimate traffic signal coordination improvements along Commercentre Drive from Alton Parkway to Dimension Drive.	\$65,000	CIP Fund – 100%
El Toro Road Enhanced Landscape Lighting	Add accent lighting to the pedestal, the sealing niches and in eight median or parkway locations; approximately seventy-two up lights.	\$193,000	CIP Fund – 100%
El Toro Road Streetscape Project – Phase 2	Investigate and implement traffic safety and traffic congestion relief opportunities, and construct raised landscaped median islands and parkway landscaping along El Toro Road between Jeronimo and Trabuco.	\$2,038,000	CIP Fund – 100%
El Toro Road Streetscape Project – Phase 3	Investigate and implement traffic safety and traffic congestion relief opportunities, and construct raised landscaped median islands and parkway landscaping along El Toro Road between Trabuco Road and Portola Parkway.	\$6,173,000	CIP Fund – 100%
General Neighborhood Traffic Improvements	Investigate, analyze, design, and construct/implement various traffic safety, sight distance improvements, traffic signing, or traffic routing solutions.	\$464,000	CIP Fund – 100%

PROJECTS

Name	Description	Total	Funding Source
Jeronimo Road Streetscape Project – Phase 2	Investigate and implement traffic safety and traffic congestion relief opportunities, and construct raised landscaped median islands and parkway landscaping along Jeronimo Road between Lake Forest Drive and Miles Avenue.	\$2,700,000	CIP Fund – 100%
Jeronimo Road Streetscape Project – Phase 3	Investigate and implement traffic safety and traffic congestion relief opportunities, and construct raised landscaped median islands and parkway landscaping along Jeronimo Road between Bake Parkway and Lake Forest Drive.	\$900,000	CIP Fund – 100%
Muirlands Boulevard Streetscape Project	Investigate and implement traffic safety and traffic congestion relief opportunities, and construct raised landscaped median islands and parkway landscaping along Muirlands between Los Alisos and Bake Parkway.	\$5,310,000	CIP Fund – 100%
Normandale Park Development	Construct improvements to Normandale Park to provide for amenities which may include ball fields, restrooms, sports field lighting, tot lot, amphitheater, basketball court and pedestrian bridge.	\$12,150,000	CIP Fund – 100%
Portola Parkway Streetscape Project	Investigate and implement traffic safety and traffic congestion relief opportunities, and construct raised landscaped median islands and parkway landscaping along Portola Parkway.	\$265,000	CIP Fund – 100%

PROJECTS

Name	Description	Total	Funding Source
Portola Parkway Gap Closure	This project lies within unincorporated Orange County and within the City of Irvine's Planning Area 6. The Orange County Master Plan of Arterial Highways identifies Portola Parkway as a primary arterial highway between State Route 241 and its existing terminus in the City of Lake Forest, a gap of approximately 1.1 miles. Neither the County of Orange nor the City of Irvine have established project development teams, schedules, or funding for this project. Project costs were estimated at over \$81 million in October 2005; with project development, environmental clearances, and design engineering estimated to cost \$14,820,000. The project requires right-of-way across Parcel R of Irvine Open Space Preserve – North, which is subject to the First Amendment to Management Agreement between the City of Irvine and the Irvine Ranch Land Trust Reserve, dated February 1, 2007. Lake Forest staff has initiated discussions and will continue to collaborate with the City of Irvine, County of Orange, Orange County Transportation Authority, and other stakeholders to establish Portola Parkway as a regional priority, and to have shelf-ready construction plans by July 2010.	N/A	N/A
Regency Park Development	This project would include an analysis of potential park improvements, community outreach efforts, design and construction of potential enhancements, such as a paved parking lot, restroom facility and paved walkways.	\$75,000	CIP Fund – 100%
Ridge Route Drive Streetscape Project	Investigate and implement traffic safety and traffic congestion relief opportunities, and construct raised landscaped median islands and parkway landscaping along Ridge Route Drive.	\$946,000	CIP Fund – 100%

PROJECTS

Name	Description	Total	Funding Source
Rockfield Boulevard Streetscape Project Phase 2 – Construction	This project would investigate and implement traffic safety and traffic congestion relief opportunities, and construct raised landscaped median islands and parkway landscaping along Rockfield Boulevard between El Toro Road and Ridge Route Drive.	\$1,330,000	CIP Fund – 100%
Rockfield Boulevard Streetscape Project Phase 3	This project would investigate and implement traffic safety and traffic congestion relief opportunities, and construct raised landscaped median islands and parkway landscaping along Rockfield Boulevard between Ridge Route Drive to Centre Drive.	\$1,300,000	CIP Fund – 100%
Street Resurfacing and Slurry Seal	Provide asphalt overlays and slurry seals as determined during the design phase for street pavement in accordance with a Pavement Management System that is designed to avoid expensive deferred maintenance.	\$4,000,000	General Fund – 100%
Toledo Road Streetscape Project	Investigate and implement traffic safety and traffic congestion relief opportunities, and construct raised landscaped median islands and parkway landscaping along Toledo Way between Bake Parkway and El Toro Road.	\$4,186,000	CIP Fund – 100%
Trabuco Road Streetscape Project Phase 2	Investigate and implement traffic safety and traffic congestion relief opportunities, and construct raised landscaped median islands and parkway landscaping along Trabuco Road from Lake Forest Boulevard to the Mission Viejo city limits.	\$1,481,000	CIP Fund – 100%
GRAND TOTAL		\$46,702,000	

CONCLUSION

This Five-Year Strategic Business Plan (“Plan”) represents the City’s efforts to look at itself on more than just an annual basis. The Plan demonstrates a reasonable financial path for the City, one which continues providing services to the community while at the same time being fiscally responsible.

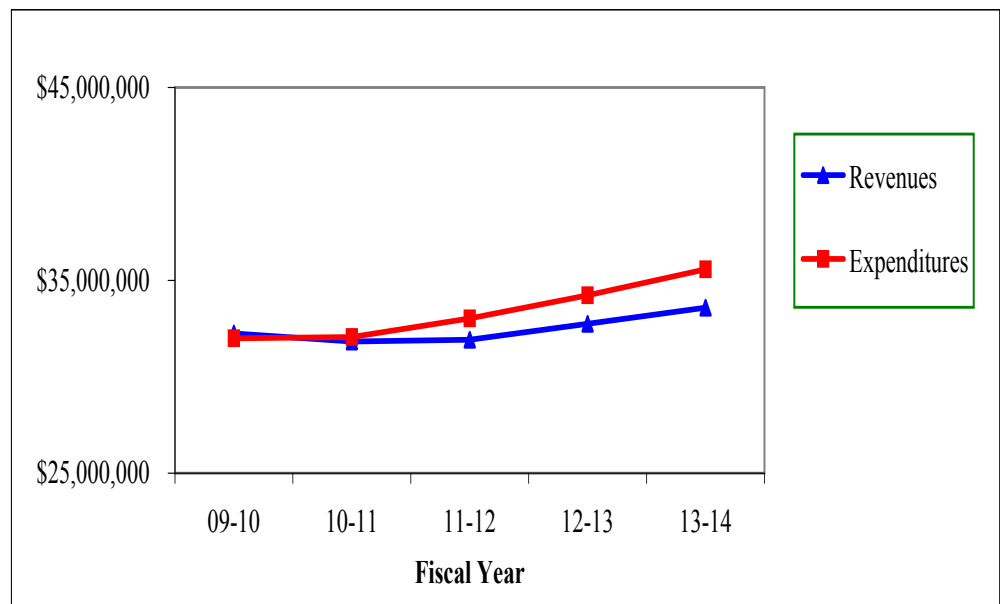
The City enjoyed significant revenue growth during previous years, resulting from the healthy local economy and the addition of new businesses. In addition, fund balances increased over time, due to the growth of revenues in excess of expenditures. Interfund transfers totaling \$40 million are proposed from the General Fund to fund capital improvement projects occurring in the first two years of the Plan. Also reflected are the effects of the ongoing recession and its continuing negative effect on the City’s revenues. Once the recession has ended, the City should recover over time due to the diverse nature of the revenue base.

Incorporated into the Plan is a five-year schedule of new operating programs and capital improvement projects. The new operating programs/projects and capital improvement projects in the first two years of the Plan represent those approved in the Fiscal Year 2009-10 Operating Budget and the 2009-11 Capital Improvement Projects Budget. During the five-year period, the City will have implemented and/or completed 10 new operating programs and projects and 21 capital improvement projects. At the conclusion of this Plan, General Fund balances are estimated to be \$875,500.

The following pages provide a five-year summary of the revenues and expenditures associated with each fund. Data from the projections for the General Fund show expenditures increasing at a faster rate than revenues starting in mid-Fiscal Year 2009-10. Although this gap is partially attributable to the economic recession and its impact on revenue sources, the primary reason is the City’s commitment to pursuing capital improvement projects that benefit the community. Additionally, all reserves are fully funded per the City’s Reserve Policy.

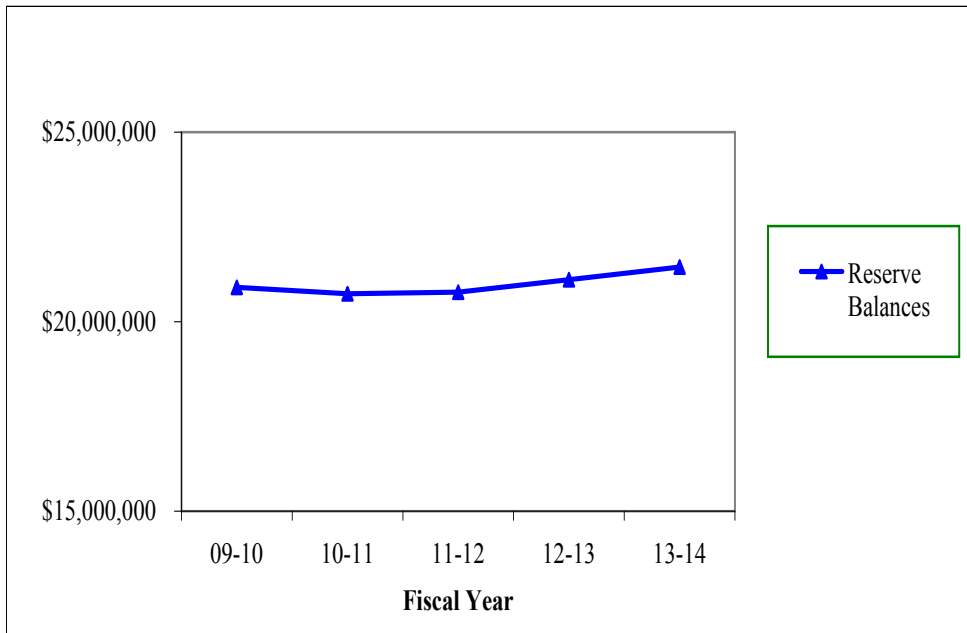
GENERAL FUND

	2009-10	2010-11	2011-12	2012-13	2013-14
BEGINNING BALANCES	\$47,883,400	\$31,506,200	\$7,120,800	\$5,664,900	\$3,537,300
REVENUES:					
Local Taxes	29,247,900	29,262,000	29,533,000	30,225,000	30,936,000
Other Governments	327,400	327,400	331,400	335,400	340,400
User Fees and Charges	504,100	504,100	516,900	529,900	542,900
Licenses and Permits	360,000	360,000	371,000	383,000	395,000
Fines and Forfeitures	520,000	520,000	520,000	520,000	520,000
Use of Money and Property	1,234,000	800,000	600,000	700,000	800,000
Other Revenue	50,900	50,900	50,900	50,900	50,900
TOTAL REVENUES	32,244,300	31,824,400	31,923,200	32,744,200	33,585,200
OPERATING EXPENDITURES:					
City Council	248,000	251,800	255,600	263,300	271,200
City Manager	925,700	939,600	953,700	982,400	1,011,900
City Attorney	835,700	848,300	861,100	887,000	913,700
City Clerk	648,300	658,100	668,000	688,100	708,800
Finance	1,156,300	1,156,000	1,173,400	1,208,700	1,245,000
Development Services	2,385,300	2,292,300	2,326,700	2,396,600	2,568,500
Public Works	7,060,500	7,165,500	7,273,000	7,491,200	7,716,000
Management Services	1,906,800	1,906,800	1,935,500	1,993,600	2,123,500
Community Services	3,007,200	2,976,700	3,021,500	3,112,400	3,206,000
Police Services	13,266,000	13,465,100	13,667,200	14,077,400	14,499,900
Redevelopment/Economic Development	360,300	365,800	371,400	382,700	394,300
Operating Cost of New Capital Projects		32,000	520,600	736,300	915,700
TOTAL OPERATING EXPENDITURES	31,800,100	32,058,000	33,027,700	34,219,700	35,574,500
OPERATING SURPLUS/(DEFICIT)	444,200	(233,600)	(1,104,500)	(1,475,500)	(1,989,300)
Capital Improvement Projects	190,700				
TOTAL EXPENDITURES	31,990,800	32,058,000	33,027,700	34,219,700	35,574,500
NET SURPLUS (DEFICIT)	253,500	(233,600)	(1,104,500)	(1,475,500)	(1,989,300)
Interfund Transfers	(16,630,700)	(24,151,800)	(351,400)	(652,100)	(672,500)
ENDING BALANCES	\$31,506,200	\$7,120,800	\$5,664,900	\$3,537,300	\$875,500



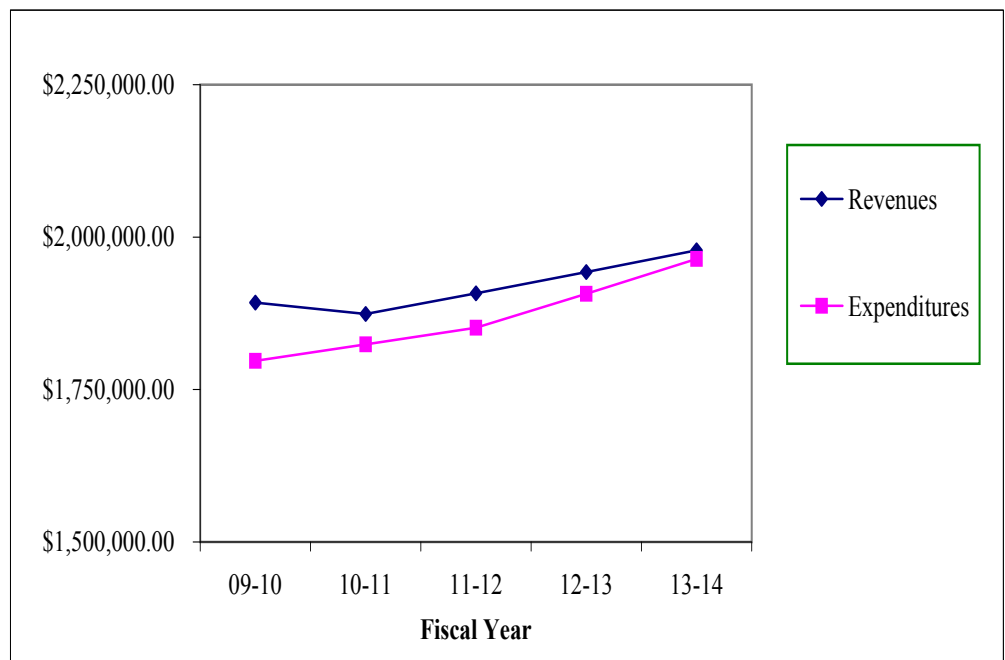
RESERVE FUNDS

	2009-10	2010-11	2011-12	2012-13	2013-14
BEGINNING BALANCES	\$20,740,900	\$20,906,300	\$20,738,300	\$20,777,900	\$21,106,200
Interfund Transfers	165,400	(168,000)	39,600	328,300	336,400
ENDING BALANCES	\$20,906,300	\$20,738,300	\$20,777,900	\$21,106,200	\$21,442,600



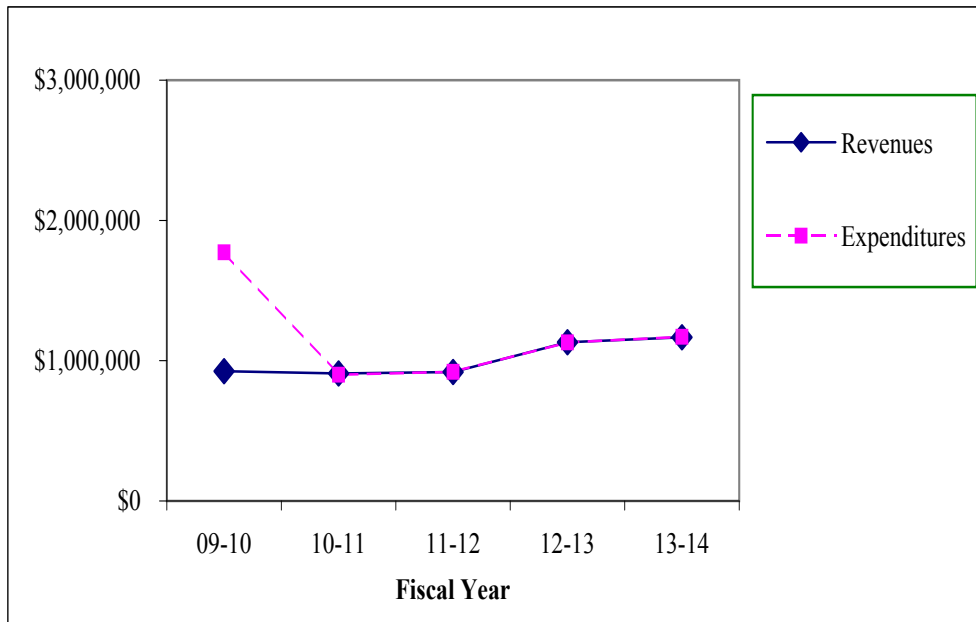
GAS TAX FUND

	2009-10	2010-11	2011-12	2012-13	2013-14
BEGINNING BALANCES	\$245,800	\$341,300	\$391,200	\$447,500	\$483,200
REVENUES:					
Other Governments	1,867,500	1,868,000	1,901,000	1,935,000	1,970,000
Use of Money and Property	25,000	5,900	6,700	7,700	8,300
TOTAL REVENUES	1,892,500	1,873,900	1,907,700	1,942,700	1,978,300
OPERATING EXPENDITURES:					
Public Works	1,797,000	1,824,000	1,851,400	1,907,000	1,964,300
TOTAL OPERATING EXPENDITURES	1,797,000	1,824,000	1,851,400	1,907,000	1,964,300
OPERATING SURPLUS/(DEFICIT)	95,500	49,900	56,300	35,700	14,000
ENDING BALANCES	\$341,300	\$391,200	\$447,500	\$483,200	\$497,200



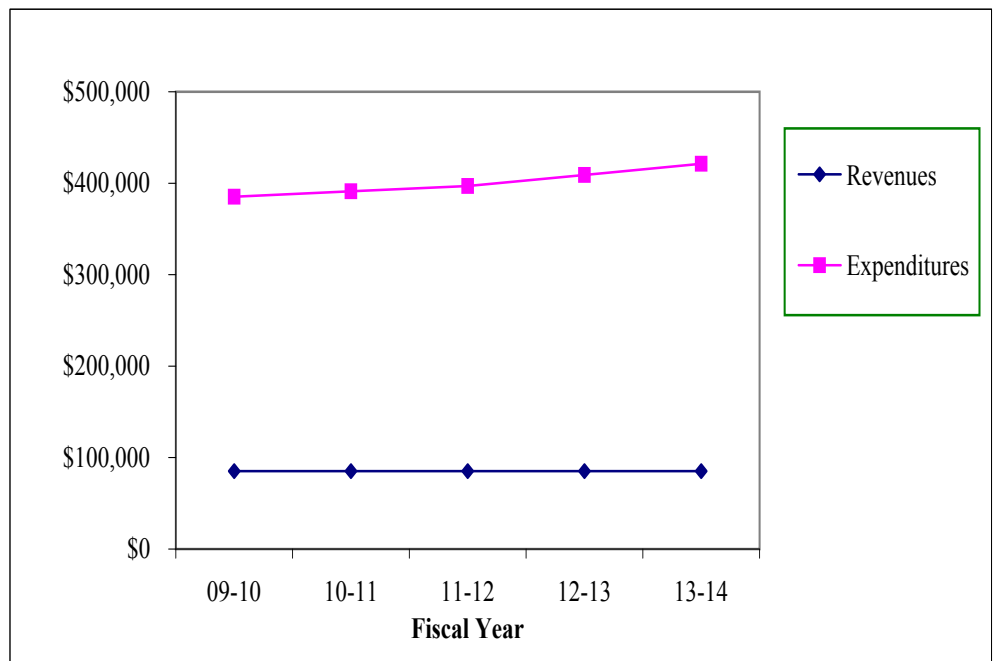
MEASURE M FUND

	2009-10	2010-11	2011-12	2012-13	2013-14
BEGINNING BALANCES	\$877,300	\$29,300	\$38,800	\$38,500	\$40,000
REVENUES:					
Other Governments	900,000	909,000	919,000	1,130,800	1,166,000
Use of Money and Property	25,000	500	700	700	700
TOTAL REVENUES	925,000	909,500	919,700	1,131,500	1,166,700
Capital Improvement Projects	1,773,000	900,000	920,000	1,130,000	1,170,000
TOTAL EXPENDITURES	1,773,000	900,000	920,000	1,130,000	1,170,000
NET SURPLUS (DEFICIT)	(848,000)	9,500	(300)	1,500	(3,300)
ENDING BALANCES	\$29,300	\$38,800	\$38,500	\$40,000	\$36,700



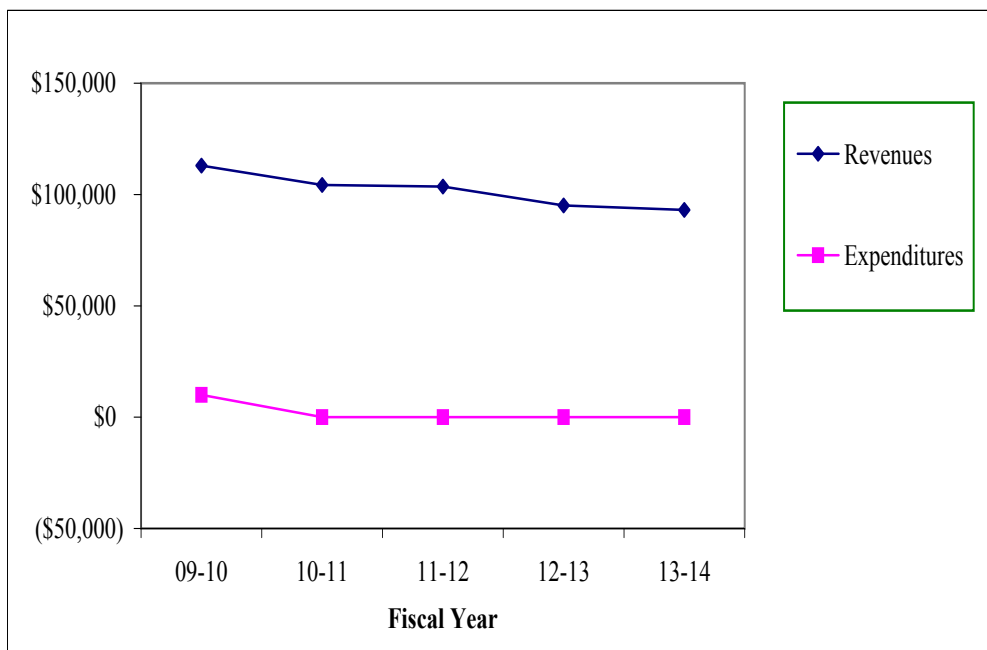
ETNIES SKATEPARK FUND

	2009-10	2010-11	2011-12	2012-13	2013-14
BEGINNING BALANCES	\$0	\$0	\$0	\$0	\$0
REVENUES:					
User Fees and Charges	53,200	53,200	53,200	53,200	53,200
Other Revenue	32,000	32,000	32,000	32,000	32,000
TOTAL REVENUES	85,200	85,200	85,200	85,200	85,200
OPERATING EXPENDITURES:					
Community Services	385,300	391,100	397,000	409,000	421,300
TOTAL OPERATING EXPENDITURES	385,300	391,100	397,000	409,000	421,300
OPERATING SURPLUS/(DEFICIT)	(300,100)	(305,900)	(311,800)	(323,800)	(336,100)
Interfund Transfers	300,100	305,900	311,800	323,800	336,100
ENDING BALANCES	\$0	\$0	\$0	\$0	\$0



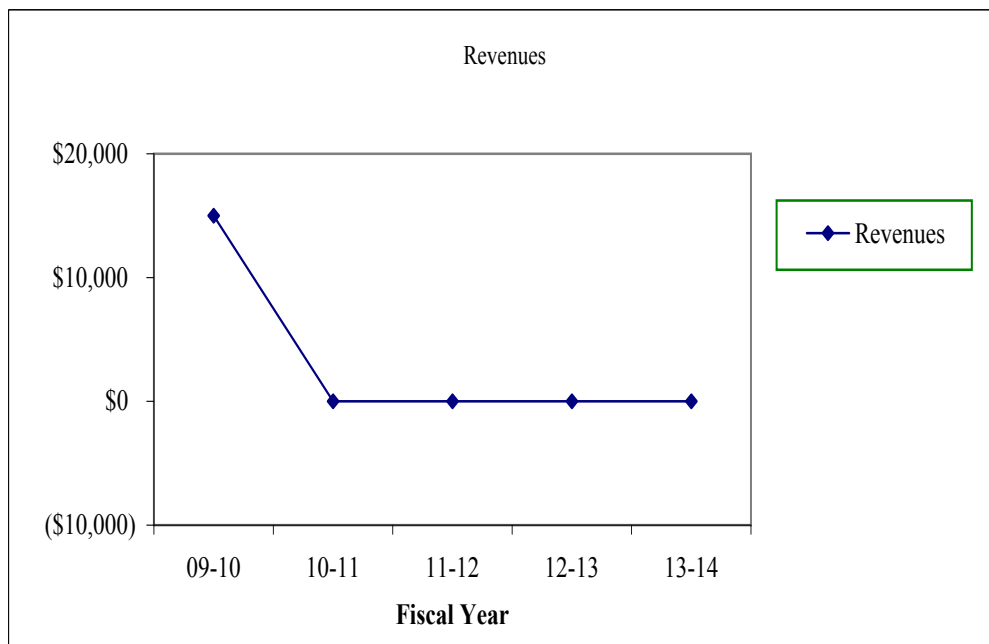
AIR QUALITY IMPROVEMENT FUND

	2009-10	2010-11	2011-12	2012-13	2013-14
BEGINNING BALANCES	\$620,100	\$659,100	\$620,400	\$118,000	\$100
REVENUES:					
Other Governments	93,000	93,000	93,000	93,000	93,000
Use of Money and Property	20,000	11,300	10,600	2,100	100
TOTAL REVENUES	113,000	104,300	103,600	95,100	93,100
EXPENDITURES:					
City Manager	10,000				
TOTAL OPERATING EXPENDITURES	10,000				
OPERATING SURPLUS (DEFICIT)	103,000	104,300	103,600	95,100	93,100
Interfund Transfers	(64,000)	(143,000)	(606,000)	(213,000)	(93,000)
ENDING BALANCES	\$659,100	\$620,400	\$118,000	\$100	\$200



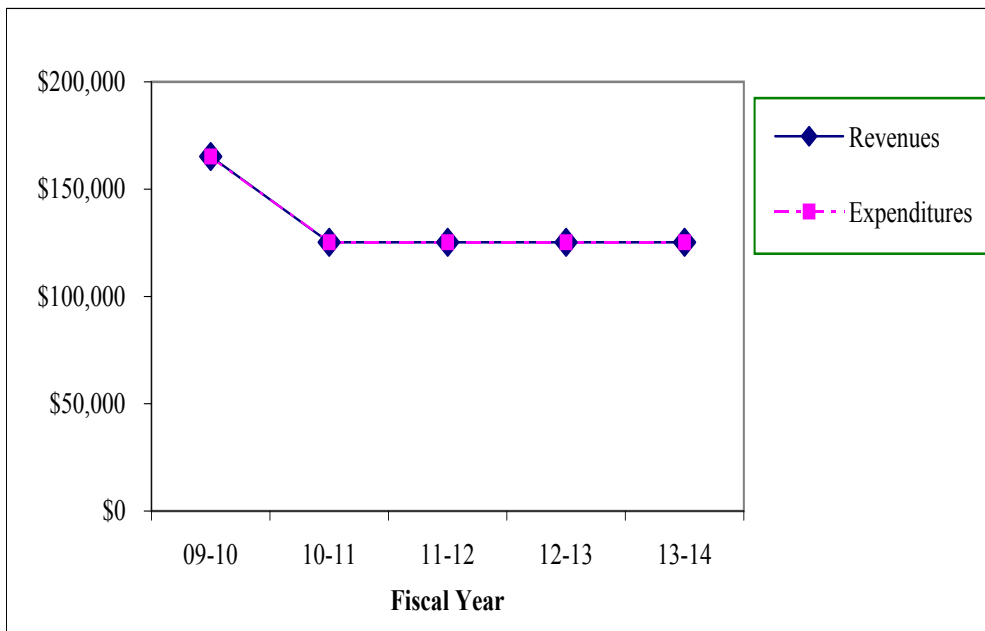
PARK DEVELOPMENT/CONSTRUCTION FUND

	2009-10	2010-11	2011-12	2012-13	2013-14
BEGINNING BALANCES	\$576,800	\$100	\$100	\$100	\$100
REVENUES:					
Use of Money and Property	15,000				
TOTAL REVENUES	15,000				
Interfund Transfers	(591,700)				
ENDING BALANCES	\$100	\$100	\$100	\$100	\$100



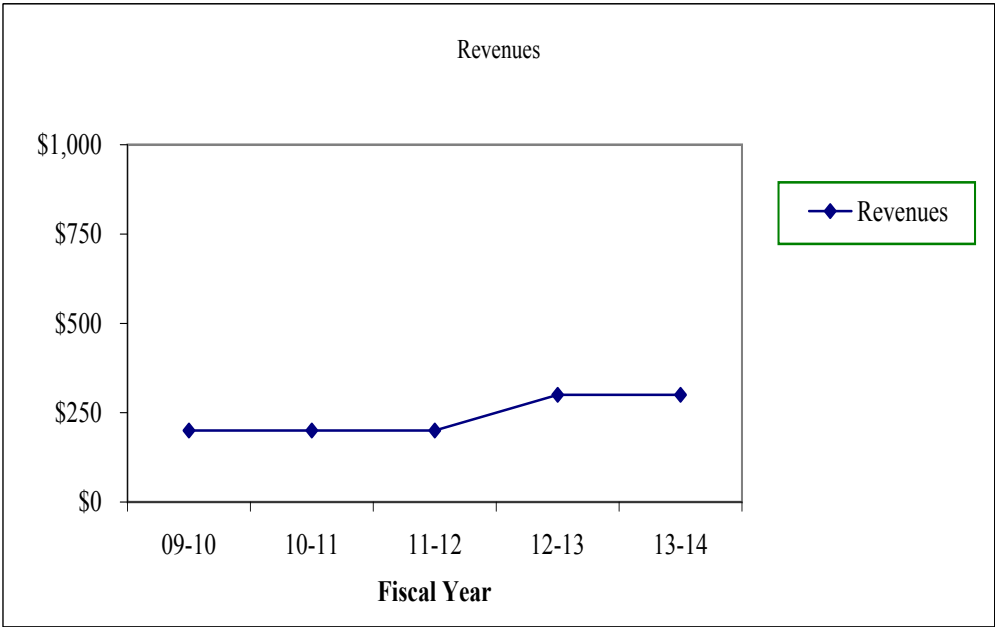
POLICE GRANTS FUND

	2009-10	2010-11	2011-12	2012-13	2013-14
BEGINNING BALANCES	\$0	\$0	\$0	\$0	\$0
REVENUES:					
Other Governments	164,700	124,700	124,700	124,700	124,700
Use of Money and Property	500	500	500	500	500
TOTAL REVENUES	165,200	125,200	125,200	125,200	125,200
OPERATING EXPENDITURES:					
Police Services	165,200	125,200	125,200	125,200	125,200
TOTAL OPERATING EXPENDITURES	165,200	125,200	125,200	125,200	125,200
OPERATING SURPLUS (DEFICIT)	\$0	\$0	\$0	\$0	\$0
ENDING BALANCES	\$0	\$0	\$0	\$0	\$0



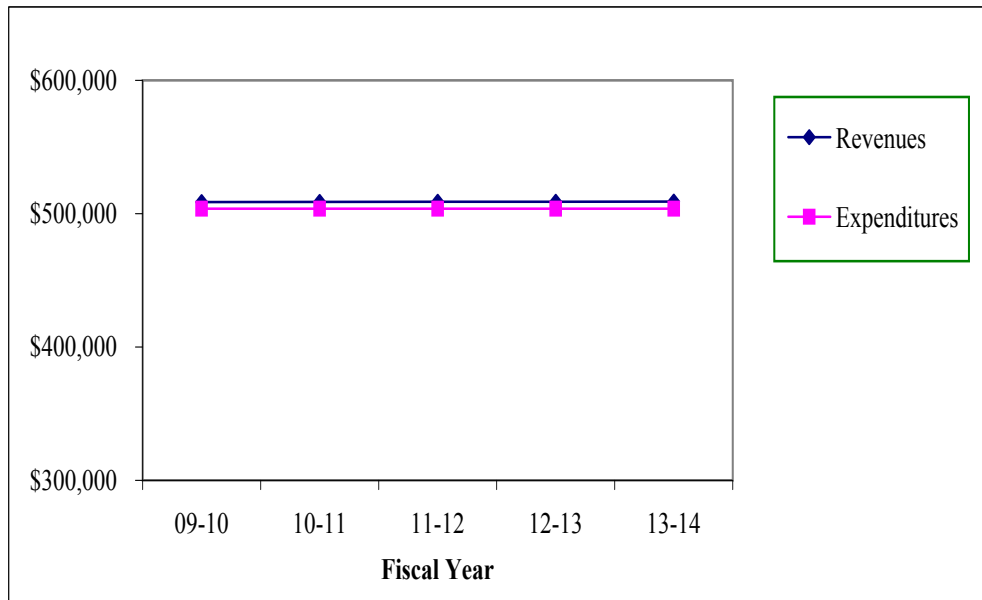
ASSET FORFEITURE FUND

	2009-10	2010-11	2011-12	2012-13	2013-14
BEGINNING BALANCES	\$11,200	\$11,400	\$11,600	\$11,800	\$12,100
REVENUES:					
Use of Money and Property	200	200	200	300	300
TOTAL REVENUES	200	200	200	300	300
OPERATING SURPLUS/(DEFICIT)	200	200	200	300	300
ENDING BALANCES	\$11,400	\$11,600	\$11,800	\$12,100	\$12,400



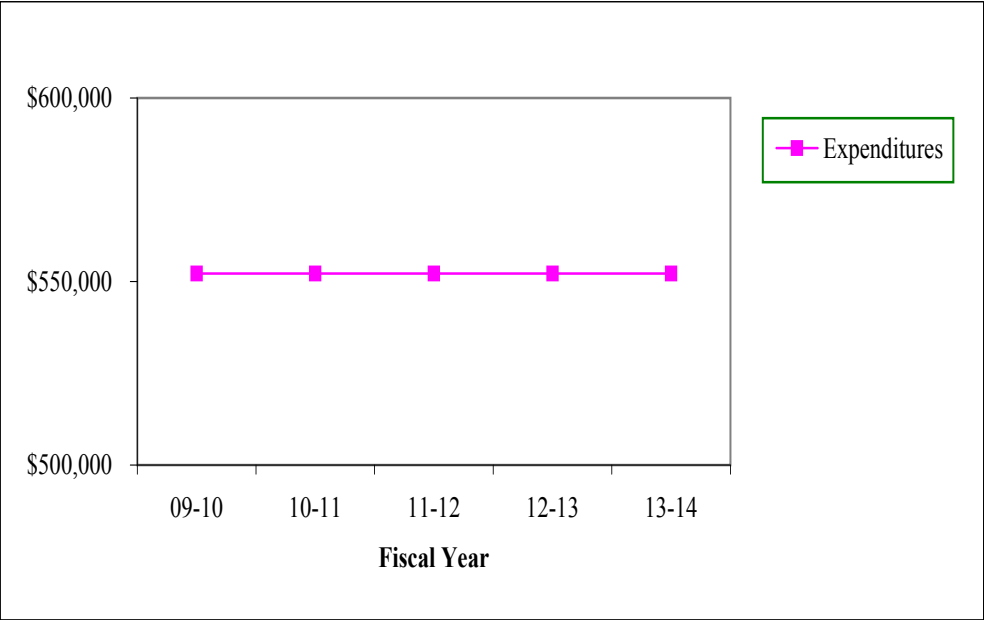
COMMUNITY DEVELOPMENT BLOCK GRANT FUND

	2009-10	2010-11	2011-12	2012-13	2013-14
BEGINNING BALANCES	\$3,000	\$8,000	\$13,100	\$18,300	\$23,600
REVENUES:					
Other Governments	478,600	478,600	478,600	478,600	478,600
Use of Money and Property	100	200	300	400	500
Other Revenue	30,000	30,000	30,000	30,000	30,000
TOTAL REVENUES	508,700	508,800	508,900	509,000	509,100
OPERATING EXPENDITURES:					
Redevelopment/Economic Development	370,700	503,700	503,700	503,700	503,700
TOTAL OPERATING EXPENDITURES	370,700	503,700	503,700	503,700	503,700
OPERATING SURPLUS/(DEFICIT)	138,000	5,100	5,200	5,300	5,400
Capital Improvement Projects	133,000				
TOTAL EXPENDITURES	503,700	503,700	503,700	503,700	503,700
NET SURPLUS (DEFICIT)	\$5,000	\$5,100	\$5,200	\$5,300	\$5,400
ENDING BALANCES	\$8,000	\$13,100	\$18,300	\$23,600	\$29,000



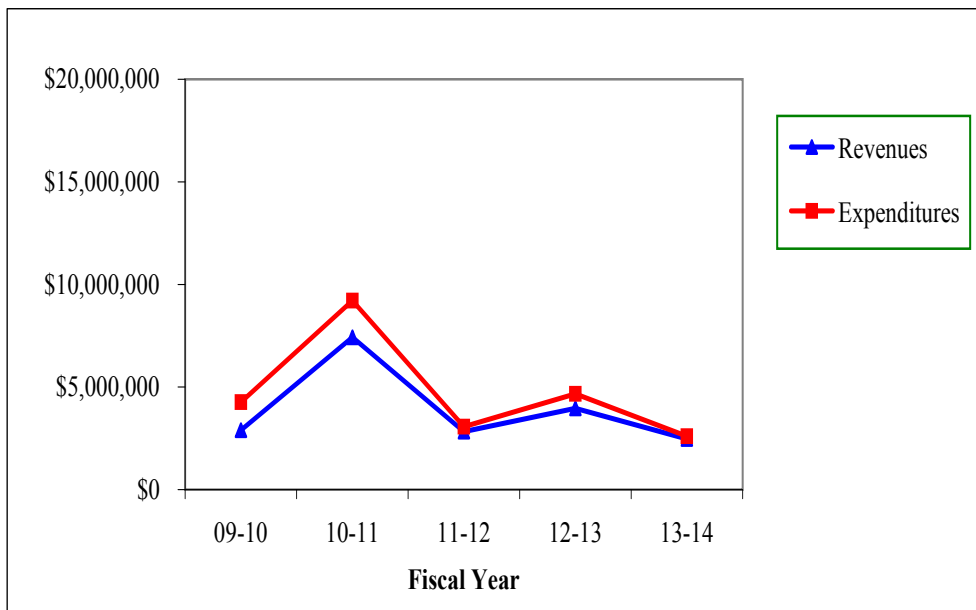
FINANCING AUTHORITY DEBT SERVICE FUND

	2009-10	2010-11	2011-12	2012-13	2013-14
BEGINNING BALANCES	\$0	\$0	\$0	\$0	\$0
OPERATING EXPENDITURES:					
Debt Service	552,200	552,200	552,200	552,200	552,200
TOTAL OPERATING EXPENDITURES	552,200	552,200	552,200	552,200	552,200
OPERATING SURPLUS/(DEFICIT)	(552,200)	(552,200)	(552,200)	(552,200)	(552,200)
Interfund Transfers	552,200	552,200	552,200	552,200	552,200
ENDING BALANCES	\$0	\$0	\$0	\$0	\$0



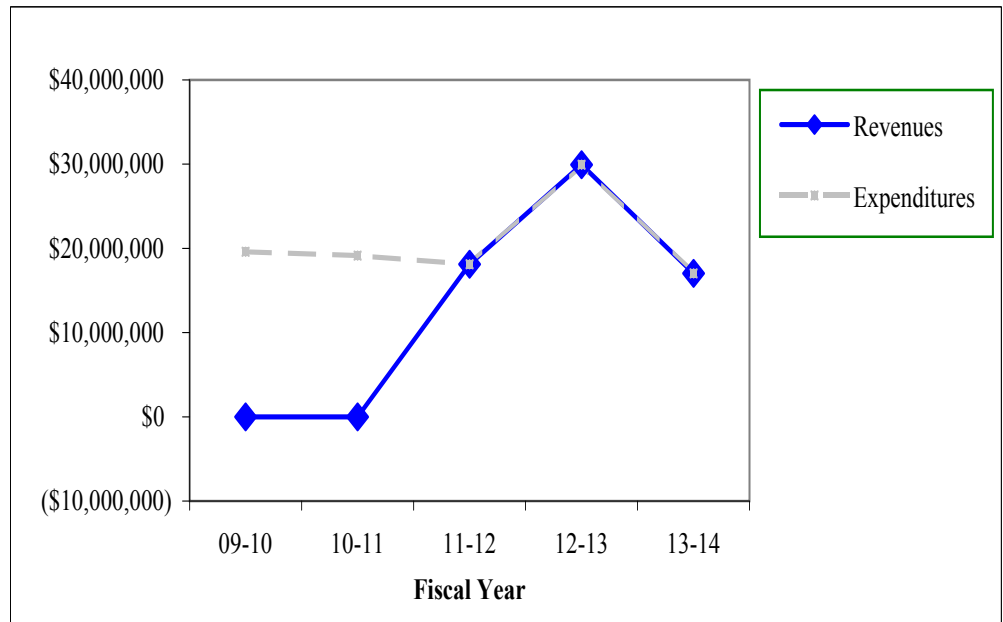
CAPITAL IMPROVEMENT PROJECTS FUND

	2009-10	2010-11	2011-12	2012-13	2013-14
BEGINNING BALANCES	\$12,574,226	\$6,028,600	\$4,382,600	\$4,742,600	\$4,252,600
REVENUES:					
Other Governments	2,549,300	6,973,000	2,424,000	3,953,000	2,470,000
Use of Money and Property	350,000	450,000	400,000	10,000	
TOTAL REVENUES	2,899,300	7,423,000	2,824,000	3,963,000	2,470,000
Capital Improvement Projects	4,267,300	9,212,000	3,070,000	4,666,000	2,603,000
TOTAL EXPENDITURES	4,267,300	9,212,000	3,070,000	4,666,000	2,603,000
NET SURPLUS (DEFICIT)	(1,368,000)	(1,789,000)	(246,000)	(703,000)	(133,000)
Interfund Transfers	(5,177,700)	143,000	606,000	213,000	93,000
ENDING BALANCES	\$6,028,600	\$4,382,600	\$4,742,600	\$4,252,600	\$4,212,600



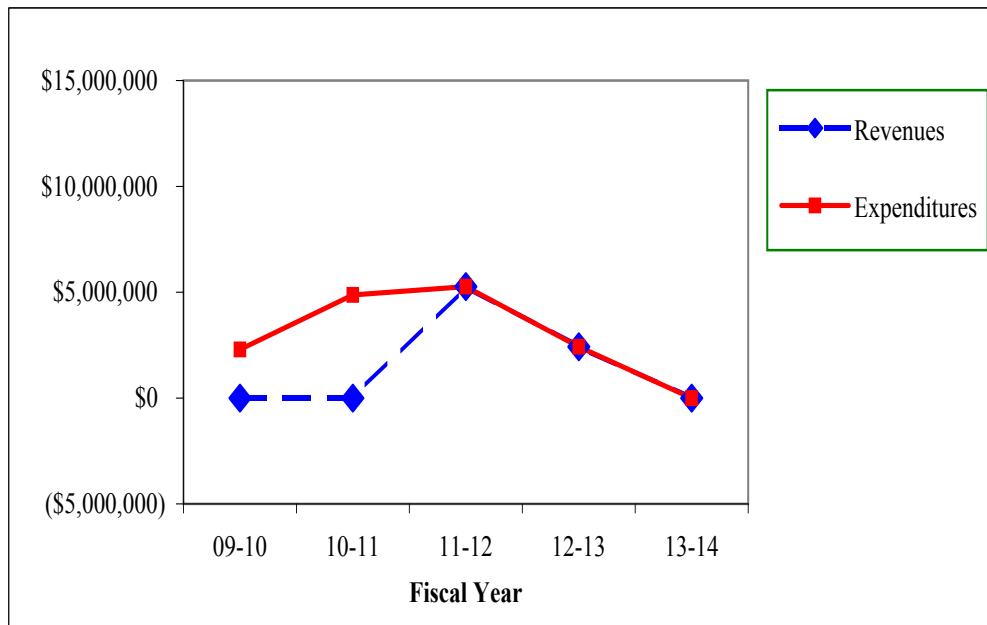
OPPORTUNITIES STUDY AREA CAPITAL IMPROVEMENT PROJECTS FUND

	2009-10	2010-11	2011-12	2012-13	2013-14
BEGINNING BALANCES	\$0	\$0	\$0	\$0	\$0
REVENUES:					
Public Facilities Fees			18,116,000	29,924,500	17,038,400
TOTAL REVENUES	0	0	18,116,000	29,924,500	17,038,400
Capital Improvement Projects	19,588,000	19,139,000	18,116,000	29,924,500	17,038,400
TOTAL EXPENDITURES	19,588,000	19,139,000	18,116,000	29,924,500	17,038,400
NET SURPLUS (DEFICIT)	(19,588,000)	(19,139,000)	0	0	0
Interfund Transfers	19,588,000	19,139,000			
ENDING BALANCES	\$0	\$0	\$0	\$0	\$0



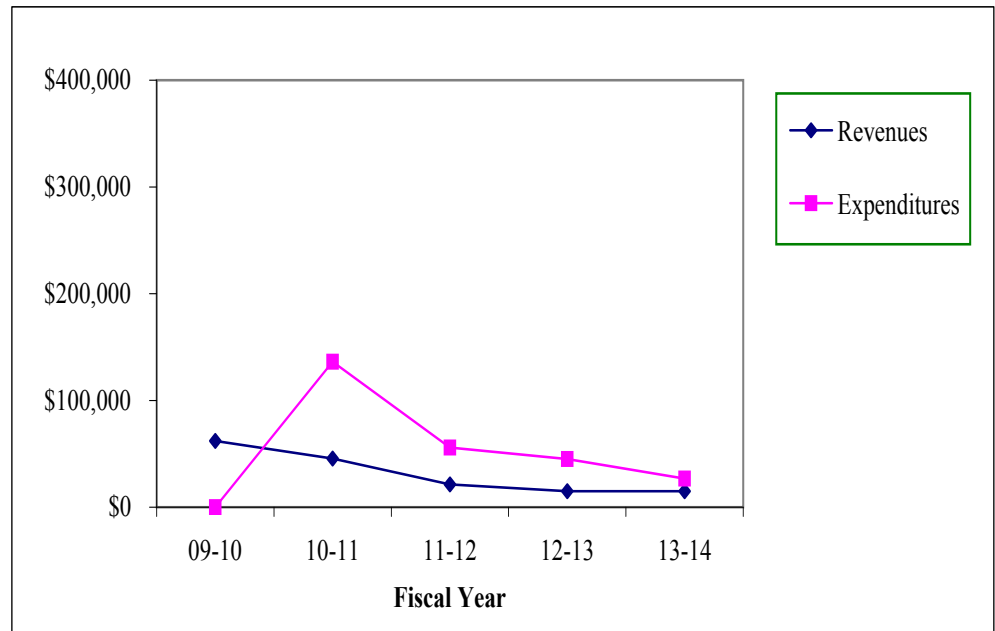
LAKE FOREST TRANSPORTATION MITIGATION CAPITAL IMPROVEMENT PROJECTS FUND

	2009-10	2010-11	2011-12	2012-13	2013-14
BEGINNING BALANCES	\$0	\$0	\$0	\$0	\$0
REVENUES:					
Public Facilities Fees			5,263,400	2,420,600	
TOTAL REVENUES	0	0	5,263,400	2,420,600	0
Capital Improvement Projects	2,291,100	4,874,900	5,263,400	2,420,600	
TOTAL EXPENDITURES	2,291,100	4,874,900	5,263,400	2,420,600	0
NET SURPLUS (DEFICIT)	(2,291,100)	(4,874,900)	0	0	0
Interfund Transfers	2,291,100	4,874,900			
ENDING BALANCES	\$0	\$0	\$0	\$0	\$0



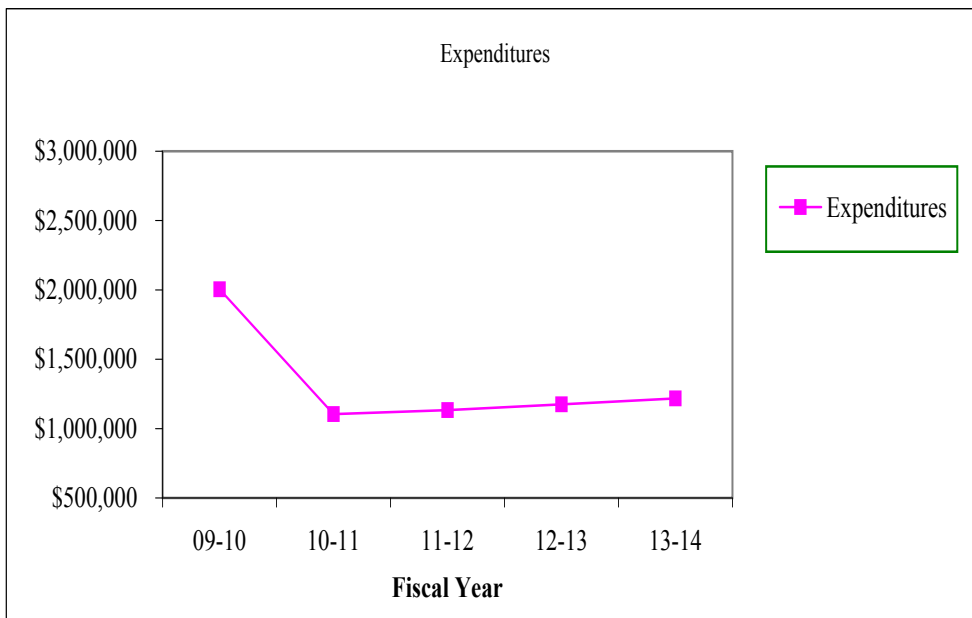
VEHICLE REPLACEMENT FUND

	2009-10	2010-11	2011-12	2012-13	2013-14
BEGINNING BALANCES	\$224,300	\$286,300	\$195,700	\$161,200	\$131,100
REVENUES:					
Department Charges	62,000	45,600	21,400	15,000	15,000
TOTAL REVENUES	62,000	45,600	21,400	15,000	15,000
OPERATING EXPENDITURES:					
Vehicles		136,200	55,900	45,100	26,800
TOTAL OPERATING EXPENDITURES	0	136,200	55,900	45,100	26,800
OPERATING SURPLUS/(DEFICIT)	62,000	(90,600)	(34,500)	(30,100)	(11,800)
ENDING BALANCES	\$286,300	\$195,700	\$161,200	\$131,100	\$119,300



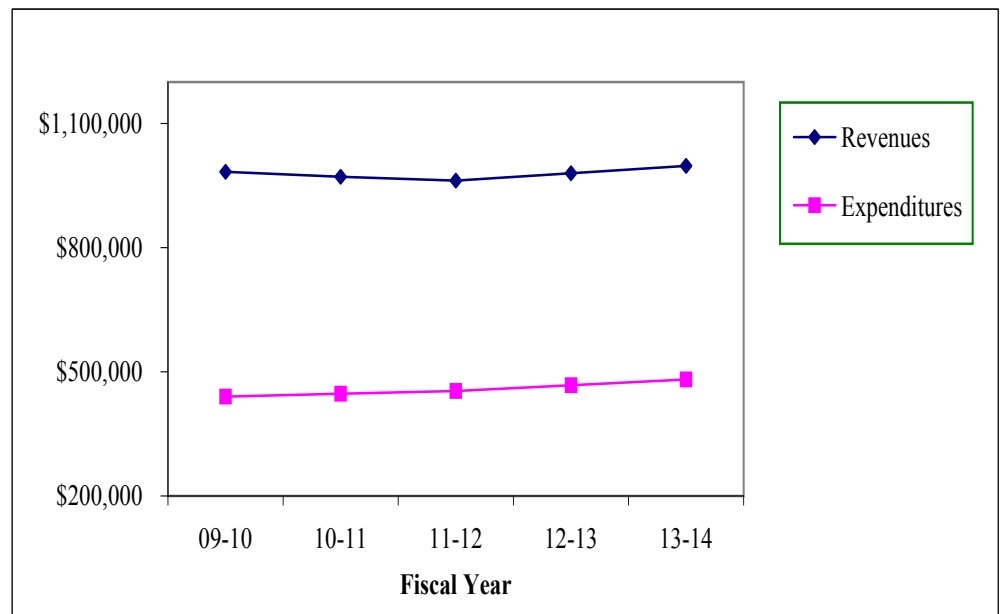
REDEVELOPMENT AGENCY OPERATING FUND

	2009-10	2010-11	2011-12	2012-13	2013-14
BEGINNING BALANCES	\$0	\$0	\$0	\$0	\$0
OPERATING EXPENDITURES:					
Redevelopment	1,104,100	1,104,400	1,133,100	1,174,400	1,217,300
TOTAL OPERATING EXPENDITURES	1,104,100	1,104,400	1,133,100	1,174,400	1,217,300
OPERATING SURPLUS/(DEFICIT)	(1,104,100)	(1,104,400)	(1,133,100)	(1,174,400)	(1,217,300)
Capital Improvement Projects	900,000				
TOTAL EXPENDITURES	2,004,100	1,104,400	1,133,100	1,174,400	1,217,300
NET SURPLUS (DEFICIT)	(2,004,100)	(1,104,400)	(1,133,100)	(1,174,400)	(1,217,300)
Interfund Transfers	2,004,100	1,104,400	1,133,100	1,174,400	1,217,300
ENDING BALANCES	\$0	\$0	\$0	\$0	\$0



REDEVELOPMENT AGENCY LOW AND MODERATE INCOME HOUSING FUND

	2009-10	2010-11	2011-12	2012-13	2013-14
BEGINNING BALANCES	\$2,794,500	\$3,337,300	\$3,861,600	\$4,369,800	\$4,881,900
REVENUES:					
Other Governments	933,000	914,400	896,200	905,200	914,300
Use of Money and Property	50,000	56,800	65,700	74,300	83,000
TOTAL REVENUES	983,000	971,200	961,900	979,500	997,300
OPERATING EXPENDITURES:					
Redevelopment	440,200	446,900	453,700	467,400	481,500
TOTAL OPERATING EXPENDITURES	440,200	446,900	453,700	467,400	481,500
OPERATING SURPLUS/(DEFICIT)	542,800	524,300	508,200	512,100	515,800
ENDING BALANCES	\$3,337,300	\$3,861,600	\$4,369,800	\$4,881,900	\$5,397,700



REDEVELOPMENT AGENCY DEBT SERVICE FUND

	2009-10	2010-11	2011-12	2012-13	2013-14
BEGINNING BALANCES	\$3,625,300	\$3,786,100	\$4,711,500	\$5,450,200	\$6,108,300
REVENUES:					
Other Governments	4,235,000	4,150,300	4,067,300	4,108,000	4,149,100
Use of Money and Property	130,000	64,000	80,000	92,000	103,000
TOTAL REVENUES	4,365,000	4,214,300	4,147,300	4,200,000	4,252,100
OPERATING EXPENDITURES:					
Pass-through Payment	1,596,600	1,581,000	1,672,000	1,764,000	1,858,000
Interest Expense	51,300	51,300	51,300	51,300	51,300
TOTAL OPERATING EXPENDITURES	1,647,900	1,632,300	1,723,300	1,815,300	1,909,300
OPERATING SURPLUS/(DEFICIT)	2,717,100	2,582,000	2,424,000	2,384,700	2,342,800
Interfund Transfers	(2,556,300)	(1,656,600)	(1,685,300)	(1,726,600)	(1,769,500)
ENDING BALANCES	\$3,786,100	\$4,711,500	\$5,450,200	\$6,108,300	\$6,681,600

